



## NORTH KOREA CHRONOLOGY 2009

Northeast Asia Cooperative Security Project  
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1/1/09

North Korea greeted the New Year by repeating its pledge to rid the peninsula of nuclear weapons and hinting it could work with Barack Obama when he becomes the U.S. president. A joint editorial said, "The independent foreign policy of our republic to denuclearize the Korean peninsula and defend peace and security of Northeast Asia and the rest of the world is demonstrating its validity more fully as the days go by." (Jon Herskovitz, "North Korea Issues New Year Denuclearization Pledge," Reuters, December 31, 2008) It speaks of "the efforts to **open the gate** to a powerful nation in 2012 that marks the centennial birth anniversary of Kim Il Sung." It quotes Kim Jong-il on the need for mobilization [not reform] to move the economy: "The whole country and all the people, as in those years of bringing about a great Chollima upsurge after the war, should launch a general offensive dynamically, sounding the advance for opening the gate to a great, prosperous and powerful nation, united closely around the Party with one mind and purpose." It focuses on heavy industry: "We should hold the preferential development of the metal industry as the main point and concentrate efforts on tapping production potentials in the key sectors of the national economy to the full. The metal industry is the mainstay of our independent socialist economy. It is important to decisively increase the production of iron made by the Juche method and concentratedly supply electricity, fuel and raw materials to metal works, so as to make renovated production processes bring benefits. Joint innovation should be made in the fields of electric power, coal and rail transport to promote the development of the overall national economy." Text: "The anachronistic confrontation policy of the south Korean authorities is on the verge of total failure and the anti-reunification forces are being driven into a tight corner. The aspiration and demand of the fellow countrymen cannot be the plaything of quack politicians who have turned back on the nation and nothing can check the advance of the times towards independent reunification. ... The independent foreign policy of our Republic to denuclearize the Korean Peninsula and defend peace and security of Northeast Asia and the rest of the world is demonstrating

its validity more fully as the days go by.” (KCNA, “Joint New Year Editorial Issued,” January 1, 2009)

1/3/09 In a ten-minute telephone conversation President Lee Myung-bak asked U.N. Secretary-General Ban Ki-moon the United Nations chief to help improve strained relations with North Korea, Lee's spokesman Lee Dong-kwan said today. (Yonhap, “Lee Calls for U.N. Aid in Rebuilding Inter-Korean Ties,” January 3, 2009)

1/5/09 A total of 2,809 North Koreans arrived in South Korea during the past year, bringing the cumulative number of North Korean defectors here to 15,057 since the end of the Korean War, the Unification Ministry said. The 2008 figure is up 10 percent from a year earlier. The increase was 26 percent and 46 percent in 2007 and 2006, respectively, according to ministry data. In 1993, a total of 34 North Korean defectors settled in South Korea. The figure shot up to 2,018 in 2006 and 2,544 in 2007. China tightened control of its border with North Korea during and around the time of the Summer Olympics, prompting a slowdown of the North Korean influx here in the latter half of the year. “The slowdown was possibly affected by China's domestic and foreign policy among many other reasons,” a Unification Ministry official said. During the first half of 2008, about 1,700 North Korean defectors entered the South, up 42 percent from the same period the year earlier. The number fell to around 1,100 during the second half. (Yonhap, “Over 2,800 N. Korean Defectors Arrive in South in 2008,” January 3, 2009)

1/7/09 “North Korea will test the new administration by once again trying to split the six parties and renegotiate the deal, NSA Stephen Hadley said in a speech at CSIS. “When its efforts to do so fail, North Korea will need to accept a verification agreement so we can verify the disablement and then dismantlement of that country' nuclear capabilities.” Hadley said there will be no progress without a verification formula. “This is especially true because **some** in the intelligence community have increasing concerns that North Korea has an ongoing covert uranium enrichment program.” DoS spokesman Robert Wood said negotiators will “probably not” get the North to agree on verification before Obama takes office. “We obviously want to see the North agree to a verification protocol. Still, the ball is in the North's court,” Wood told reporters during a briefing. “The North Korean issue remains a challenge, and the new administration will have to deal with that.” (Foster Klug, “U.S. Official: N. Korea Will Challenge Obama,” Associated Press, January 7, 2009) Administration officials said the new concerns were largely based on in-depth scientific analysis of enriched uranium traces that were discovered on smelted aluminum tubes and reactor documents that had been provided by North Korea in an effort to rebut allegations that it had a uranium program. The Defense Intelligence Agency in particular has pressed this case, backed by the vice president's office and some parts of the CIA, but the Energy Department has opposed it, officials said. David Albright, president of the Institute for Science and International Security, said he had been briefed recently on the findings by government officials. He said “very few particles” had actually been discovered on the documents and the tubes, and that the DIA was basing its analysis on a single particle that, through age-dating techniques, was believed to be about 3 1/2 years old. The dating could be significant because Pakistan has acknowledged providing North Korea with a sample centrifuge kit for uranium enrichment in the early

1990s. Many analysts have speculated that the tubes and the paper had been contaminated with enriched uranium from the Pakistani equipment. The DIA argued that a particle just 3 1/2 years old could only have been processed in North Korea. The Energy Department disputed that, saying that the evidence did not exclude the possibility that the traces came from the Pakistani equipment. DOE analysts described the single particle cited by the DIA as an "outlier" from the other particles that were found, Albright said. Albright said it was "irresponsible and inflammatory" for Hadley to highlight the concerns of just a segment of the intelligence community. "It fans the flames of controversy and hands Obama a hot potato." (Glenn Kessler, "White House Voices Concern on North Korea and Uranium," *Washington Post*, January 8, 2009, p. A-11)

Just days before his first prime ministerial visit to Seoul, Aso Taro said that Koreans were among laborers who dug coal for his family mining company during World War II. "I understand that it has already been made public that people from the Korean peninsula had been engaged in labor at a coal mine run by Aso Mining," he told the opposition-controlled upper house. The conservative leader, who had long avoided the sensitive topic, admitted that his family company used Japanese-held Allied prisoners to dig coal during World War II. The foreign ministry had once lodged a protest against a US media report that Aso Mining Co., run by his wealthy family in southern Fukuoka prefecture, had used Allied war prisoners. But the ministry recently deleted the protest from its website after the welfare ministry unveiled documents showing that 300 British, Dutch and Australian prisoners had worked at the company's coal mine. (AFP, "Japan P.M. Says Koreans Dug Coal for Family Mine," January 7, 2009)

1/10/09 North Korea continues to be a problem partly because it hasn't kept its commitment to provide a complete declaration of its nuclear activities, Vice President Dick Cheney said in an interview. "It looks like they have a continuing, ongoing program to produce highly enriched uranium" and "they helped the Syrians build a nuclear reactor." (Deb Riechmann, "Cheney Warns against Impulsive Action in Iraq," Associated Press, January 9, 2009)

1/11/09 Choe Sung-chol, once a vice chairman of the Asia-Pacific Peace Committee, the organization handling inter-Korean affairs, was reported to have been dismissed in early 2008 for what sources called his misjudgment on South Korea's new conservative administration under President Lee Myung-bak. "I heard he [Choe] is undergoing revolution training at a large chicken farm in Hwanghae Province," a source said Sunday, asking not to be identified. Choe, 52, became better known to South Korean officials and the public in 2007, when he closely escorted then South Korean President Roh Moo-hyun throughout his visit to Pyongyang for a summit with North Korean leader Kim Jong-il. He is also known to have played a key role in arranging the summit. Seoul officials have acknowledged the dismissal of Choe, but could not confirm his whereabouts or why he was sacked. "He has been undergoing training for about a year now, so it really is hard to tell whether he will be reinstated or not," another source said, also speaking on condition of anonymity. "The possibility is about half and half, considering other cases in the past." (Yonhap, "Former N.K. Pointman on Seoul Said to Be Working at Chicken Farm," January 11, 2009)

Disapproval of Prime Minister Aso Taro's Cabinet has reached a new high, according to a *Yomiuri Shimbun* survey released today. More people would prefer opposition leader Ozawa Ichiro to be prime minister than Aso. According to the telephone interview poll, the Cabinet disapproval rating was 72.3 percent, up 5.6 points from the previous survey in December, while the approval rating fell to 20.4 percent, down 0.5 point. When asked if they would prefer Aso or Democratic Party of Japan leader Ichiro Ozawa as prime minister, 27 percent of respondents chose Aso, down two points from the last survey, while 39 percent said they would prefer Ozawa, up three points. In a survey conducted in November, 50 percent of voters chose Aso over Ozawa, who secured 22 percent of the votes. (*Yomiuri Shimbun*, "Aso Cabinet Disapproval Jumps to 72%; Rate Worst for a Cabinet in 8 Years," January 11, 2009) Is this the beginning of the end for Japan's long-governing Liberal Democratic Party? A lawmaker championing government reform quit the party, saying that the administration of PM Aso was not committed to change and had lost the people's trust. The high-profile resignation comes as Aso's approval ratings have fallen and his party's chances of losing a coming election have risen sharply. Analysts say it may embolden other lawmakers, who have signaled similar intentions, to act. "Unfortunately, Aso's Liberal Democratic Party has practiced politics completely disconnected from the people," said the lawmaker who resigned, Yoshimi Watanabe, who had served as minister of administrative reform in two previous administrations, and had become one of the most recognizable faces pressing for change in the government bureaucracy. Opinion polls published this week by major Japanese newspapers showed Aso's approval ratings slipping below 20 percent, a danger sign in a country where governments with ratings below 30 percent have fallen. (Norimitsu Onishi, "Japan's Governing Party Is Plunging in the Polls," *New York Times*, January 14, 2009, p. A-6)

1/12/09

At Japan-South Korea summit, PM Aso and President Lee agreed to cooperate closely with Obama on North Korea's nuclear development program. Aso told Lee during their talks that North Korea might move to split the trilateral security framework of Japan, South Korea and the United States, and that the three countries need to tie up closely, according to a Japanese government official. "We agreed to make mutual efforts with patience toward the denuclearization of North Korea," Lee said at the press conference. Seeking Seoul's support for Japan's efforts to resolve the past abductions of Japanese nationals by North Korea, Aso said to Lee, "The act breaches human rights, and the issue must be settled quickly," according to the official. The official quoted Lee as replying, "There are also abduction victims (of North Korea) in our country and we will cooperate toward a resolution." On different perceptions of history, "There were no discussions during our talks," Aso told the press conference. According to the Japanese government official, the two leaders made no reference either to the territorial dispute over a set of islets in the Sea of Japan called Takeshima in Japan and Dokdo in South Korea. On the economic front, Aso and Lee agreed on the need to check any moves toward protectionism and counter the global financial crunch that has dealt a blow to their countries, reaffirming their agreement made at a trilateral summit in Japan's Fukuoka Prefecture along with Chinese Premier Wen Jiabao in mid-December. In what they touted as a "new era" in bilateral relations, Aso and Lee agreed to jointly contribute to the international community. Specifically, they plan to help reconstruct conflict-ravaged Afghanistan in such fields as human

resource development and farming. "It would be the first international contribution to be conducted on site collaboratively between Japan and South Korea," another government official said. They also agreed to launch a joint project to study a range of political and economic problems facing the international community. One representative will be chosen from each country, and the two will meet later this month to decide what specific areas to discuss, according to the official. Citing today's official agreement to launch a South Korean multipurpose satellite on a Japanese H-2A rocket, Aso was quoted by the official as saying, "I welcomed the progress in two-way cooperation in the space field." (Kyodo, "Aso, Lee to Cooperate in Economic Crisis, Work with Obama on N. Korea," January 12, 2009)

North Korea last month said it wanted to send a representative to the inauguration of U.S. President-elect Barack Obama. But Washington has so far remained reluctant to accept the request, according to South Korean government sources. "The North, through its United Nations mission office in New York, conveyed the message that it can send Vice Foreign Minister Kim Gye-gwan as a representative to the inauguration ceremony," said the source. The message was first delivered to The Korea Society, an U.S. nonprofit organization that promotes Korea-U.S. relations, and was later delivered to the Obama transition staff. "We don't know for now whether the Obama team has made a decision to accept the request or not," the source said. "I've heard negative opinions far outpaced the positive views." The latest request from Pyongyang, however, clearly indicates that the North is poised to take a more cooperative stance towards Washington, with a new liberal administration in charge. "Pyongyang may be trying to test the political waters in the Obama administration by watching Washington's response," the source said. (Yeh Young-june, "Pyongyang Wants Envoy at Obama's January Inauguration," *JoongAng Ilbo*, January, 12, 2009)

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**Summary**

US diplomatic despatch discusses the tougher approach to North Korea adopted by South Korea's president, Lee Myoung-bak, after his election in 2008 - and Pyongyang's "severe" response. Key passage highlighted in yellow.

1. (C) Summary: As a presidential candidate, Lee Myoung-bak called for a "creative reconstruction" of Korea's foreign policy. In his February 2008 inaugural address, Lee criticized his two predecessors, saying, "At times over the last ten years, we found ourselves faltering and confused." He vowed to trade ideology for pragmatism as Korea's surest means of improving ties with its neighbors, and he's had some successes, especially with China and Russia, where Lee was able to expand substantially economic and political ties. Lee's efforts on Japan and North Korea are more mixed. With Japan, the South Korean public was not quite ready to accept fully Lee's attempts to compartmentalize history issues. Still, much progress was made in Seoul-Tokyo consultations on a variety of issues ranging from North Korea to economic to even security issues. On North Korea, Lee's conservative agenda was predictably rebuffed by Pyongyang. However, all signs are that President Lee is quite comfortable in sticking to denuclearization and reciprocity as the basis of his North Korea policy, especially as it enjoys considerable support. End Summary.

#### DPRK

2. (C) In a February 2007 speech that has widely come to be known as the "MB Doctrine," presidential candidate Lee Myung-bank firmed up his vision of his administration's North Korea Policy. Lee said his first priority would be to abolish what he described as his predecessors' "unprincipled and unilateral policy of appeasement" toward the DPRK and replace it with a policy that offered generous assistance in exchange for North Korea's complete nuclear dismantlement and Pyongyang's accommodation of South Korea's desire for family reunion, accounting of welfare and whereabouts of POWs from the Korean War and several hundred abductees after the war. Immediately upon taking office, the Lee Administration also made it clear that it would review all commitments from the two South-North summits -- June 2000 and October 2007. Senior Lee Administration officials complained publicly that the October 2007 summit between Kim Jong-il and President Roh Moo-hyun was arranged by Roh to favor the progressive candidate in the presidential election two months later and that therefore President Lee was not bound to fulfill promises amounting to billions of dollars of aid to the North.

3. (C) The response from Pyongyang was predictably swift and severe. Using threatening language not heard since the Kim Young-sam days, North Korea has moved step by step to cut off inter-Korean relations. Initially, all inter-Korean meetings were cancelled, with the North loudly proclaiming that food aid from the South was neither needed nor wanted. Thereafter, Pyongyang implemented a draconian restriction in December of North-South cross-border traffic, stopping Kaesong tourism and severely limiting traffic to the Kaesong Industrial Complex. As the Kumgang tourism had been stopped by the South over the July shooting death of a Southern tourist, the net result has been a crippling blow to the KIC and Kumgang tourism, the two proudest results of the Sunshine policy.

4. (C) *With both sides dug in, the outlook for any quick improvement in inter-Korean relations is slim to none.* Much more likely is the continued "psychological war," as characterized by Foreign Minister Yu Myung-hwan in his recent meeting with the

Ambassador. President Lee is determined not to give in to North Korean pressure. Our Blue House contacts have told us on several occasions that President Lee remained quite comfortable with his North Korea policy and that he is prepared leave the inter-Korean relations frozen until the end of his term in office, if necessary. It is also our assessment that Lee's more conservative advisors and supporters see the current standoff as a genuine opportunity to push and further weaken the North, even if this might involve considerable brinkmanship. Also favoring the Lee Administration's stance is the the Korean public, which is calm to the point of apathy about the inter-Korean situation.

#### Japan

5. (C) President Lee has made concerted efforts to improve relations with Tokyo, which were significantly strained during the Roh Moo-hyun era over history and territory issues. Lee sought to compartmentalize what he called "disputes over the past", stating in an early policy address that "South Korea and Japan should...try to foster a future-oriented relationship with a pragmatic attitude. Historical truth must not be ignored, but we can no longer afford to give up our future relations due to disputes over the past." Lee's vision was to look beyond the history-bound bilateral issues and create a Korea-Japan partnership active in the regional and global arena on issues like the denuclearization of the DPRK, strengthening of multilateral relationships, trade and economics, and cooperation on projects like alternative energy, communicable diseases, and poverty alleviation.

6. (C) So far, Lee's efforts have yielded some success, although Blue House officials would argue that results would have been far better had Tokyo shown more courage, especially in dealing with the Takeshima/Dokdo issue. For example, Lee pressed ahead with his plan to engage Japan on a more strategic regional and global level. Lee made the decision that Korea would participate in the October U.S.-Japan-Korea Trilateral Policy Planning talks (Ref A) in Tokyo. He then agreed to the U.S.-Japan-Korea Defense Trilateral Talks (Ref B) in Washington in November, the first trilateral defense talks in six years. Lee also initiated the first ever stand-alone China-Japan-Korea Trilateral Summit (Ref C) in Fukuoka in December. Critics will of course point out that there were no substantive results from these meetings, but the fact that the meetings were held at all is a significant result.

#### China

7. (C) President Lee has openly courted the Chinese, and he has chalked up some noteworthy successes. Less than one year into his term, Lee has already met with PRC President Hu Jintao three times, quite unprecedented in the history of ROK-PRC relations (Ref D); typically, in the past, the ROK could expect only one visit in a PRC president's ten-year term. Lee paid his first state visit to Beijing in May 2008 and met Hu again in August when Lee traveled to Beijing for the Olympics. Hu paid a state visit to Seoul August 25-26. President Lee made the relations seem a two-way desire. A Chinese Embassy contact told us that Beijing had been concerned that China-Korea relations would suffer because of the emphasis Lee wanted to put on improving U.S.-

Korea relations. Therefore, China was pleasantly surprised that Lee was able to improve both bilateral relationships simultaneously. Kim Heung-kyu, Professor of Chinese Security and Foreign Policy at the Institute of Foreign Affairs and National Security, said Lee had effectively leveraged the U.S.-Korea relationship to improve relations with China, which is eager for closer ties with Korea to check U.S. and Japanese interests in the region.

8. (C) During Lee's first visit to Beijing, he and Hu issued a joint statement which upgraded the Korea-China relationship to a "strategic cooperative partnership". Our Chinese Embassy contact gave the clearest explanation of what was now "strategic" about the ROK-PRC relationship: that China's nomenclature to describe its relations with Korea was upgraded according to a roughly five-year schedule. In 1992, relations were normalized; in 1998, the first year of Kim Dae-jung's term as President, the Chinese upgraded the relationship to "cooperative partnership"; in 2002, it was upgraded again to "comprehensive cooperative partnership," and now it is "strategic cooperative partnership."

9. (C) Despite the name, Koreans have found substantive strategic discussions with the Chinese frustratingly difficult. For example, Lee, unlike his immediate predecessors, Kim Dae-jung and Roh Moo-hyun, added North Korean human rights to the Korea-China summit agenda in August, asking Hu not to repatriate North Korean refugees against their will. Hu did not respond to Lee's request (Ref E). Also, we understand, Lee asked Hu what China thought about the North Korean domestic political situation and whether Beijing had any contingency plans. This time, Hu apparently pretended not to hear Lee. Still, the ROK did not come away empty, because, despite initial Chinese objections, Lee was successful in including in the summit joint statement a commitment "to promote dialogue and cooperation in the field of international human rights."

Russia

10. (C) Lee has largely continued the trend of his predecessors in upgrading economic ties with Russia. ROK-Russia economic ties have grown more than 40% annually for the past three years, with two-way trade exceeding USD 15 billion in 2007. Much of the growth is due to Russia's natural resources. For example, Lee paid a state visit to Moscow in September and agreed to a contract for Russia to supply Korea with 7.5 million tons of natural gas annually for thirty years beginning from 2015, amounting to an estimated 20% of Korea's annual natural gas consumption. And despite doubts about North Korea's cooperation, Lee agreed in principle to Russia exploring plans for a pipeline through North Korea to deliver the gas. The two countries also agreed to investigate the possibilities for linking the inter-Korean railway to the trans-Siberian railway system (Ref F).

11. (C) On his state visit, Lee also signed an agreement to upgrade the ROK-Russia relationship to a "Strategic Cooperative Partnership", the same term used by China to describe this year's upgrade to the ROK-PRC relationship. Ko Jae-nam, of MOFAT's Institute of Foreign Affairs and National Security, said Korea proposed using the term



"Strategic Cooperative Partnership" after China used the term to describe the ROK-PRC relationship. Ko said Korea's objective in using the same terminology to describe the ROK-Russia relationship was to balance the ROK-PRC relationship.

Comment

12. (C) During a year in which President Lee faced considerable difficulty advancing his domestic agenda, his foreign policy efforts, if not wildly successful, at least did not get him into trouble. To a considerable degree, relations with South Korea's neighbors are driven by economic realities -- increased regional trade, investment, and tourism -- that mesh with Lee's pragmatic, non-ideological approach. Relations with North Korea were the outlier, as the DPRK took pains in 2008 to demonstrate that it could live without ROK assistance. STEPHENS

1/13/09

DPRK FoMin spokesman: "We consented to the September 19 Joint Statement, **not prompted by the desire to improve the relations through denuclearization, but proceeding from the principled stand to realize the denuclearization through the normalization of the relations. Our aim to denuclearize the Korean Peninsula is, above all, to remove the U.S. nuclear threat to the DPRK that has lasted for the past half century.** The nuclear issue surfaced on the Korean Peninsula because of the U.S. hostile policy toward the DPRK and its nuclear threat resulting from it, and the hostile relations are not attributable to the nuclear issue. **It is a twisted logic to assert that the bilateral relations can be improved only when we show nukes before anything else, and this is a distortion of the spirit of the September 19 Joint Statement.** As clarified in the joint statement, the denuclearization of the whole Korean Peninsula should be strictly realized in a verifiable manner. **Free field access should be ensured to verify the introduction and deployment of U.S. nukes in south Korea and details about their withdrawal and there should be verification procedures to inspect on a regular basis the possible reintroduction or passage of nukes.** As proven in practice, the basic way of implementing the September 19 Joint Statement under the situation where there is no mutual confidence is to observe the principle of 'action for action.' This principle can never be an exception as far as the issue of verification is concerned. **It is necessary to simultaneously verify the whole Korean Peninsula at the phase where the denuclearization is ultimately realized according to the said principle. When the U.S. nuclear threat is removed and south Korea is cleared of its nuclear umbrella, we will also feel no need to keep its nuclear weapons.** This precisely means the denuclearization of the Korean Peninsula and it is our invariable stand. We will never do such a thing as showing our nuclear weapons first even in 100 years unless the U.S. hostile policy and nuclear threat to the DPRK are fundamentally terminated. **If the nuclear issue is to be settled, leaving the hostile relations as they are, all nuclear weapons states should meet and realize the simultaneous nuclear disarmament. This is the only option.**" (KCNA, "DPRK Foreign Ministry Spokesman Dismisses U.S. Wrong Assertion," January 13, 2009)

North Korea said it will hold onto its nuclear arsenal until it is satisfied the U.S. is not hiding atomic weapons in South Korea and Washington establishes diplomatic

relations with the regime. "We won't need atomic weapons when U.S. nuclear threats are removed, and **the U.S. nuclear umbrella over South Korea is gone**," the statement said. The North reiterated its commitment Tuesday to a nuclear weapon-free Korean peninsula. But it said verification must take place at the last stage of the disarmament process – not the second of three phases as the U.S. wants. "It is necessary to simultaneously verify the whole Korean peninsula," the ministry statement said, indicating that the nuclear talks may continue to be stalled. (Jae-soon Chang, "N. Korea Says It Won't Give up Nuclear Weapons," Associated Press, January 21, 2009)

Asked, "Would you be prepared to travel to Pyongyang or to another capital to meet with North Korea's foreign minister or other appropriate official," Secretary of State-designate Clinton: "Like the president-elect, I would be willing to meet with any foreign leader at a time and place of my choosing if it can advance America's interests." (Response to SFRC Chairman John Kerry's (D-MA) Questions for the Record, January 13, 2009)

North Korea freed a Japanese businessman Tuesday after holding him for more than five years on drug-smuggling charges, state media reported. Sawada Yoshiaki was detained in the communist nation in October 2003 after allegedly trying to bribe a North Korean into buying drugs from a third country and smuggling them into Japan, according to previous North Korean state media reports. Pyongyang's Korean Central News Agency said Sawada left North Korea today "thanks to a humanitarian measure" by the regime, but did not say where he was headed. (Associated Press, "Report: N. Korea Frees Japanese after Long Detention," January 13, 2009)

1/14/09      Particles of highly enriched uranium have been detected from a high-strength aluminum tube North Korea submitted to the U.S. government as a sample, senior U.S. officials and other sources said. The aluminum tube is a component the U.S. government believes North Korea imported from Russia as part of a centrifuge separator to concentrate uranium in Pyongyang's nuclear weapons development program. North Korea invited U.S. government officials to its military facilities in 2007, when Pyongyang submitted a section of aluminum tube, explaining to a U.S. delegate that the device was used for conventional weaponry. But Paula DeSutter, assistant secretary of state for verification, compliance and implementation, said in an interview that an unexpectedly large amount of uranium particles was found attached to the pipe. (Miyazaki Takao, "Concentrated Uranium Detected in DPRK Samples," *Yomiuri Shimbun*, January 16, 2009)

1/15/09      North Korea likely is forging a collective leadership system in preparation for any unforeseeable changes in his health, according to U.S. intelligence sources. According to the sources, the planned collective leadership system includes representatives of the Kim family, the Workers' Party of Korea and the Korean People's Army. Kim Jong Il's eldest son, Kim Jong Nam, is expected to serve as a nominal head of state, the sources said. Jang Sung Taek, husband of Kim Jong Il's younger sister, Kim Gyong Hui, is playing a central role in building the system, sources said. It is highly likely that the new regime will be led by Jang in practice, they added. According to the sources, Jang took advantage of the family connection to build close ties with Kim Jong Il.

Along with his wife, Jang has been assigned to look after Kim Jong Nam--a position similar to a guardian. Because his two brothers are Korean People's Army leaders, Jang also is believed to have solidified a position to take control of the army. Kim Yang Gon, director of the Workers' Party of Korea's United Front Department, also is a possible candidate to take control of the new system. Kim Yang Gon won the trust of Kim Jong Il and was the only one of his close aides who attended the summit meeting between the two Korean leaders in Pyongyang in October 2007. In the Korean People's Army, Ri Myong Su and Hyon Chol Hae, generals who belong to the National Defense Commission, are said to be emerging players. (Kurose Yoshinari, "DPRK Planning for the Worst Case: Likely Collective Leadership amid Leader's Failing Health," *Yomiuri Shimbun*, January 15, 2009)

1/15/09 U.S announced imposition of sanctions on three North Korean firms, Korea Mining and Development Corporation, Moksung Trading Company, and Sino-Ki . Notice of the actions appeared in the February 2 Federal Register. (Daniel Arnaudo, "Bush Imposes Final Proliferation Sanctions," *Arms Control Today*, March 2009, p. 36)

1/15-19/09 South Korean officials led by Hwang Joon-kook will make a rare visit to North Korea today to check Pyongyang's progress in sticking to an international nuclear disarmament deal, officials in Seoul said. The South Korean foreign ministry said the team would inspect nuclear fuel rods at the North's aging reactor as part of steps called for in a stalled disarmament-for-aid deal Pyongyang signed with five regional powers in 2005. North Korea agreed to the visit during the last round of the six-way talks in Beijing in December. "Our team of inspectors aim to take part in the decision on the handling of unused fuel rods possessed by North Korea and will focus on technical and economic aspects in their work," the ministry said in a statement. The team will discuss the possible purchase of unused fuel rods, local media quoted an unnamed foreign ministry official as saying at a news briefing. The ministry, which barred foreign media from attending, later confirmed the report. North Korea has been in talks with the five countries for over a year on what to do with the unused fuel rods including selling them for cash, a government official told reporters on condition of anonymity. (Jack Kim, "Seoul Team to Make Rare Nuclear Visit to North Korea," Reuters, January 13, 2009) "Hwang Joon-kook, director-general of the ministry's North Korean nuclear affairs bureau, will lead a fact-finding mission to Pyongyang and Yongbyon to examine the condition of the fuel rods," MOFAT spokesman Moon Tae-young said. "The fact-finding team will study economic and technical feasibility of buying the fresh fuel rods," the source said. "If the price is too high, we will not be able to buy them. We have to take into account that conservatives here may protest the purchase plan." North Korea is believed to have some 14,800 fresh fuel rods from which approximately 100 tons of uranium could be extracted. Its economic value is estimated at \$11 million. (Jin Dae-woong, "South Considers Buying Fuel Rods from North Korea," *Korea Herald*, January 14, 2009) "We inspected three nuclear facilities that are under disablement, including the nuclear fuel rod producing factory where unused fuel rods are stored," Hwang said at a January 20 press briefing in Seoul. "North Korea was cooperative in the discussion." South Korea is considering purchasing North Korea's unused fuel rods as an option for disposing of them. "We had technical consultations with the North Korean side on how to dispose the fresh

fuel rods based on the results of our examination," Hwang said. But the nuclear envoy declined to release the result of the discussion. "At the current stage, it is hard to speak about the result of the visit. We will have a chance to reveal the result after we report it to those higher up," Hwang said. (Jin Dae-woong, "Nuke Envoy Returns from N. Korea Trip," *Korea Herald*, January 21, 2009 ) "North Korea asked us to focus on the issue of unused fuel rods," Hwang said, adding that his team confirmed that about 14,800 unused fuel rods, which are equivalent to 100 tons of uranium, are stored at the Yongbyon complex. (Yonhap, "S. Korea Envoy Fetches No Immediate Breakthrough from N. Korea," January 20, 2009) North Korea is said to have some 15,000 of unused nuclear fuel rods. Last month, South Korea sent a delegation to the North to check their condition and consider buying them as part of efforts to denuclearize the communist country. Although their condition was satisfactory Pyongyang reportedly asked for such a high price that Seoul decided not to buy them. The Foreign Ministry, however, denied the reports February 5 saying no decision had yet been made. MOFAT spokesman Moon Tae-young said, "**There has been no decision on the purchase of unspent fuel rods.** And when Seoul's delegation came back from the North, there were no negotiations on the price of the fuel rods." The international market price for the fuel rods is said to be about US\$11 million. But since Seoul has to bear the cost of modifying them to use them in its own nuclear power plants, the final price is expected to significantly impact Seoul's decision. (Arirang News, "Seoul Undecided on Buying N. Korean Fuel Rods," February 6, 2009)

DoS: "The Republic of Korea and the United States have concluded talks on a new Special Measures Agreement (SMA) regarding ROK cost sharing support (also known as burden sharing) for United States Forces Korea for 2009-2013. ... Notably, the SMA institutes an "in-kind" arrangement which significantly enhances U.S.-ROK collaboration on the execution of construction projects. In the agreement signed in Seoul today, the ROK will provide 760 billion won (approximately \$691.5 million based on the 2008 average exchange rate) in 2009 and will increase the funding level in the subsequent years by the rise in the Consumer Price Index, with a maximum four-percent annual cap. SMA funds are expended in South Korea and flow directly into the ROK economy and citizenry through payments for host nation civilian employee salaries, local logistics procurements, and construction performed by ROK construction companies." (DoS, Office of the Spokesman, Media Note, January 15, 2009)

North Korean leader Kim Jong-il has recently designated his third son, Kim Jong-un, as his successor and delivered a directive on the nomination to the Workers' Party leadership, sources well-informed on North Korea said today. The decision by the elder Kim comes earlier than expected and was likely driven by his poor health condition after suffering a stroke last August, multiple intelligence sources said. Kim's 68th birthday is next month. "(Kim) delivered a directive around Jan. 8 that he has named Jong-un as his successor to the leadership of the Workers' Party," one of the sources said. Jong-un, now 25, was born to Kim's third wife, Ko Yong-hi, who died of breast cancer at the age of 51 in 2004. The youngest of Kim's three sons, he was educated at the International School of Berne and is known to be a fan of NBA basketball. After his return to Pyongyang in his late teens, the North has kept him

under a shroud of secrecy and very little is known about his character. Jong-un's nomination was completely unexpected in the North, even among party leaders, multiple sources said. "The sudden nomination caught even senior members of the leadership by surprise," another source said. "The power elite who have learned of Jong-un's designation are rushing to line up behind the junior Kim and this climate will rapidly spread across North Korean society," the source said. (Yonhap, "N. Korea Leader Names Third Son as Successor: Sources," January 15, 2009)

1/17/09

DPRK FoMin spokesman: "The U.S. administration was recently reported to have asserted that the normalization of the relations is possible only when the DPRK dismantles its nuclear weapons, first of all, and the normalized relations will not be possible without the complete and verifiable elimination of north Korea's nuclear weapons programs. This is a revelation of the true colors of the U.S. as a big power which regards the normalization of the relations as a gift to the DPRK and a distortion of the essence of the nuclear issue on the Korean Peninsula. **The U.S. is miscalculating if it considers the normalization of the DPRK-U.S. relations as a reward for the DPRK's nuclear abandonment.** The DPRK made nuclear weapons to defend itself from the U.S nuclear threat, not in the anticipation of such things as the normalization of the relations with the U.S. or economic assistance. **It is the reality on the Korean Peninsula that we can live without normalizing the relations with the U.S. but not without nuclear deterrent.** We have lived for decades without normalizing the relations with the U.S. and live on still with dignity. **The issue of normalizing the relations and the nuclear issue are the two separate matters** from A to Z. If there is something to be desired by us, it is not to normalize the relations between the DPRK and the U.S. but to boost the nuclear deterrent in every way to more firmly defend the security of our nation. The nuclear issue on the Korean Peninsula is, in essence, the issue of the U.S. and our nuclear weapons. **Though the bilateral relations are normalized in a diplomatic manner, the DPRK's status as a nuclear weapons state will remain unchanged as long as it is exposed even to the slightest U.S. nuclear threat.**" (KCNA, "DPRK Foreign Ministry Spokesman Dismisses U.S. Wrong Assertion," January 17, 2009)

KPA General Staff spokesman's televised statement: "**Traitor Lee unhesitatingly blustered that it is impossible to improve the north-south relations through cooperation from the outset of the new year. This is an undisguised denial of the national reconciliation and unity and an open declaration of confrontation quite contrary to the trend of the June 15 era of reunification.** In Korea now in the state of armistice confrontation precisely means escalated tension and it is bound to lead to a war which can neither be averted nor avoided. ...**The puppet minister of Defense cried out for making full preparations for the possible third West Sea skirmish and the puppet chairman of the Joint Chiefs of Staff went the lengths of talking about "punishment" of someone, far from drawing a lesson from the wild remarks calling for "preemptive attack."** In fact, the intrusions into the territorial waters of the DPRK side being perpetrated by warships of the south Korean puppet navy in the West Sea of Korea almost every day, various military provocations and all forms of anti-DPRK confrontational ruckuses being kicked up by them have already gone beyond the danger line and the DPRK-targeted war exercises have reached such

a serious phase that the DPRK can no longer remain an onlooker to them. **Shortly ago, 90 percent of Aegis warships of the navy of the U.S. imperialist aggression forces equipped with ballistic missiles and even carrier task force equipped with nuclear bombs were deployed in the waters of the Pacific targeted against the DPRK as desired by traitor Lee and his group. Not only Stealth tactical flying corps bolstered in the area of Okinawa all of a sudden recently but other strike means of the U.S. aggression forces including flying corps of strategic bombers already deployed there are always ready to go into action in the areas around the Korean Peninsula.** The revolutionary armed forces of the DPRK which dismissed Lee and his group's rhetoric about "resumption of dialogue" and "respect" for the historic two inter-Korean joint declarations as sleight of hand aimed to make a mockery of the nation and hoodwink the public long ago have since closely followed every move of the enemy. **In view of the prevailing grave situation, the General Staff of the KPA clarifies internally and externally the following principled stand to discharge its noble mission to defend the sovereignty and dignity of the nation and protect our socialist country as an impregnable fortress: 1. Now that traitor Lee Myung Bak and his group opted for confrontation, denying national reconciliation and cooperation, backed by foreign forces, our revolutionary armed forces are compelled to take an all-out confrontational posture to shatter them.** The world will clearly see how the reckless anti-DPRK confrontational moves of the group going against the mindset of the people desirous of national unity and cooperation will go bust in face of our army standing in an all-out confrontation with them. **Our all-out confrontational posture is based on support and encouragement of all the servicepersons and people and the confrontational posture of justice desired by the nation. 2. The frantic preparations being stepped up by the puppet military warhawks for "preemptive strike" and "punishment" of the DPRK, blindly following the so-called "idea of the ruler" touted by the traitor, will compel our revolutionary armed forces to take a strong military retaliatory step to wipe them out.** Traitor Lee Myung Bak and the puppet military warmongers should clearly understand that our military retaliatory step will be implemented by the limitless merciless strike power of the strong revolutionary army of Mt. Paektu and a resolute action which can hardly be countered by any up-to-date means in the world. The more hysteric the group of traitors become in crying out for a war of aggression against the north, pursuant to the moves to incite hostility towards it and strengthen the war posture, the sterner and more merciless punishment we will mete out to them as our military retaliation. 3. **Our revolutionary armed forces make it clear that we will preserve as it is the extension of the Military Demarcation Line (MDL) in the West Sea already proclaimed to the world as long as there are ceaseless intrusions into the territorial waters of our side in the West Sea in disregard of our sincere steps and magnanimity.** There will exist in the West Sea of Korea only the extension of the MDL designated by the DPRK till the day of national reunification, not the illegal 'northern limit line.'" (KCNA, "Principled Stand of KPA to Defend Socialist Country As Firm As Iron Wall Clarified," January 17, 2009)

North Korea has hardened its stance on disarmament, saying it has "weaponized" plutonium into warheads, but hopes for better ties with U.S. President-elect Barack Obama. Officials say the weapons cannot be inspected and Pyongyang might keep

them even if it normalizes relations with Washington, said Selig Harrison. The officials said that "North Korea is now a nuclear weapons state and will not commit itself now on when it will give it up as a result of denuclearization negotiations," Harrison told reporters in Beijing. He quoted Ri saying, "We are not in a position to say when we will abandon nuclear weapons." Harrison said the North's "much, much harder line" might be due to the rise of military hard-liners after leader Kim Jong Il suffered a stroke. Harrison said officials denied reports that Kim was treated for a stroke. But he said that based on information from his own sources in Pyongyang, he believed Kim suffered such an ailment but has recovered, though he is not at work full-time. "He has recovered and he is now making what is described to me as 'key decisions' but is not dealing on a day-to-day basis with detailed issues as he had done before," Harrison said. Foreign Minister Pak Ui Chun and others said the North wants better relations with Obama's government, according to Harrison. He said they want Obama to see the North receives promised energy aid and to provide help to revive North Korean agriculture. He said the North wants its symphony orchestra invited to perform in the United States following a Pyongyang concert last March by the New York Philharmonic. Pyongyang has made normalizing ties with Washington a priority but the United States says it must disarm first. **"All of those I met said the North has already weaponized the 30.8 kilograms (67.8 pounds) of plutonium listed in its formal declaration and that the weapons cannot be inspected,"** Harrison said. **He said when he asked what "weaponized" meant, "the answer I got was, 'It means warheads.'"** Harrison, who has visited the North 11 times since 1972. But he said that much plutonium would produce four to five warheads, depending on the grade of plutonium, the specific weapons design and the desired explosive yield. Today, the North said its priority is to build up its "nuclear deterrent," not relations with Washington. North Korea "can live without normalizing the relations with the U.S., but not without nuclear deterrent," said a foreign ministry statement. (Joe McDonald, "Researcher: North Korea Has 'Weaponized' Plutonium," Associated Press, January 17, 2009) North Korea sees the presidency of Barack Obama as an opportunity for much-improved relations with the United States, a U.S. scholar said Saturday after a trip to the country. Still, it says that it has turned its entire plutonium stockpile into weapons and that it is determined to remain a nuclear-armed nation until Washington abandons its "hostile policy." That powerfully mixed message emerged this week from government statements and a round of interviews that top North Korean officials granted in Pyongyang, the capital, to Selig S. Harrison, a senior scholar at the Woodrow Wilson International Center for Scholars. "They have very high hopes for Obama, but they want to confront him from a position of strength," Harrison said January 17 in a phone interview from Beijing, shortly after leaving Pyongyang. "They are very interested in the possibility that he will move away from the regime-change policies of the Bush administration and will move toward normalization." Officials said Obama could demonstrate his desire for improved relations by shipping 200,000 tons of urgently needed heavy fuel oil, agreeing to a long-term food-supply agreement and allowing the North Korean Symphony to visit the United States, according to Harrison. "If the new Obama administration takes its first steps correctly and makes a political decision to change its North Korea policy, the North and the United States can become intimate friends," Foreign Minister Pak Ui Chun told Harrison. "They could be bluffing," Harrison said, noting that North Korean officials offered no proof that they have made the weapons.

He also said they declined to specify what "weaponized" means. "They are now saying they are a nuclear-weapons state and please deal with us," Harrison said. "They are also saying that when their relations with the United States are fully normalized, then they can talk about what they will do with the weapons." The North Koreans reiterated a condition before they will move from disabling to dismantling the nuclear reactor at Yongbyon: "the completion of light-water reactors for the generation of electricity as a quid pro quo," Harrison said. (Blaine Harden, "N. Korea Discordant on Obama Era, Nuclear Arsenal," *Washington Post*, January 18, 2009, p. A-22)

Military tension escalated sharply along the inter-Korean border on Saturday as North Korea vowed to take an "all-out confrontational posture" against South Korea, just hours after it said it would hold onto its nuclear arms. South Korea put its military on heightened alert, warning that armed clashes might take place in disputed waters in the Yellow Sea, following naval skirmishes there in 1999 and 2002 that left scores of soldiers killed or wounded on both sides. "Now that traitor (South Korean President) Lee Myung-bak and his group opted for confrontation," said a spokesman for the chief of the General Staff of the North's Korean People's Army, "our revolutionary armed forces are compelled to take an all-out confrontational posture to shatter them." Wearing a military uniform, the unnamed spokesman read the acerbic message in a program aired by Pyongyang's official Korean Central Broadcasting Station. The statement was also released in English by KCNA. It was the first message from the North Korean army's General Staff in 10 years, and was far more strongly-worded than the North's usual tirades against the South. (Kim Hyun and Sam Kim, "Tension Rises over N. Korea's Renewed Sea Border Claim," *Yonhap*, January 17, 2009)

Han Duck-soo, who served as prime minister and finance minister during the liberal governments of Presidents Kim Dae-jung and Roh Moo-hyun, was named as ambassador to the United States, Cheong Wa Dae officials said Sunday. Han will replace Lee Tae-shik. In a reshuffle of key state agencies, Won Sei-hoon, minister of public administration and security, was appointed to head the National Intelligence Service, replacing Kim Sung-ho. (Kim Sue-young, "Han Duck-soo Named Ambassador to US," *Korea Times*, January 18, 2009)

1/19/09

President Lee Myung-bak replaced his finance and unification ministers and 12 other senior officials in a Cabinet shakeup aimed at reviving the sagging economy and reestablishing stalled relations with North Korea. Former Financial Supervisory Service (FSS) Chairman Yoon Jeung-hyun was tapped to replace Kang Man-soo as the country's top economic policymaker, and Hyun In-taek, a professor of political science at Korea University, will replace Kim Ha-joong as the unification minister. Korea Investment Holdings Chairman Yoon Jin-shik was appointed as the senior presidential secretary of economic affairs, replacing Bahk Byong-won, who is under investigation on abuse of power allegations. Professor Hyun, 55, played an important role in setting up Lee's key North Korea policy, dubbed "Vision 3000," and aimed at helping North Korea increase its per capita income to \$3,000 within the next 20 years if it abandons all its nuclear ambition. (Na Jeong-ju, "New Economic Team Formed to Fight Crisis," *Korea Times*, January 19, 2009)



White spokeswoman Dana Perino said "It's not surprising that they would bang their spoons on their high chair to try to get attention," after the North said it may keep its nuclear arms and threatened confrontation with South Korea. "I think that the North Koreans will find that they (Obama's team) will be just as against North Korea's nuclear weapons programs as the Bush administration has been," said Perino. "What we leave to the new administration is a diplomatic process where all of North Korea's neighbors are at the table, united against their nuclear ambitions, and it's through that diplomatic process that they (Obama's team) will succeed." (AFP, "U.S. Says North Korea Will Face Tough Obama," January 19, 2009)

1/20/09

President Obama inaugural address: "As for our common defense, we reject as false the choice between our safety and our ideals. Our founding fathers faced with perils that we can scarcely imagine, drafted a charter to assure the rule of law and the rights of man, a charter expanded by the blood of generations. Those ideals still light the world, and we will not give them up for expedience's sake. And so, to all other peoples and governments who are watching today, from the grandest capitals to the small village where my father was born: **know that America is a friend of each nation and every man, woman and child who seeks a future of peace and dignity, and we are ready to lead once more. ...With old friends and former foes, we'll work tirelessly to lessen the nuclear threat** and roll back the specter of a warming planet. We will not apologize for our way of life nor will we waver in its defense. And for those who seek to advance their aims by inducing terror and slaughtering innocents, we say to you now that, 'Our spirit is stronger and cannot be broken. You cannot outlast us, and we will defeat you.' To those leaders around the globe who seek to sow conflict or blame their society's ills on the West, know that your people will judge you on what you can build, not what you destroy. **To those who cling to power through corruption and deceit and the silencing of dissent, know that you are on the wrong side of history, but that we will extend a hand if you are willing to unclench your fist.**" (Text)

1/21/09

Kurt Campbell has been tapped as assistant secretary of State for East Asian and Pacific affairs, Wallace Gregson assistant secretary of Defense for East Asian and Pacific affairs, and Jeffrey Bader senior assistant for Asian affairs at the National Security Council. The three will handle Korean Peninsula issues for the Barack Obama administration. The administration's priorities are the Middle East, Iraq and Afghanistan, so policy toward the Korean Peninsula will depend how well these officials coordinate with each other, experts speculate. Others worry that greater importance will be given to China and Japan, although they maintain close relations with their Korean acquaintances and are well aware of the importance of the Seoul-Washington alliance. In Washington, D.C., Campbell and Gregson are known as Japan experts and Bader as a China specialist. Daniel Russel, who used to handle Japanese affairs in the Bush administration, will serve as an assistant for East Asian affairs under Bader's supervision. (*Chosun Ilbo*, "Will Korea Be Left out under Obama?" January 21, 2009)

South Korean lawmakers expressed hope that the two nations will work closely in addressing the North Korean nuclear issue. "We hope for the prosperity of both nations through the ratification of a free trade agreement and improved joint efforts in

dealing with the North Korean nuclear issue," Rep. Yoon Sang-hyun, spokesman for the ruling GNP, said in a statement. GNP Rep. Hwang Jin-ha, a member of the parliament's foreign affairs and trade committee, said he expects the Obama administration to develop a "healthy leadership" in dealing with global affairs and to further strengthen U.S. ties with South Korea. Rep. Song Min-soon of the main opposition Democratic Party, a former foreign minister, called upon the South Korean government to "fine-tune" with the U.S. a plan to bring North Korea into the international community. DP spokeswoman Rep. Kim Yoo-jung positively evaluated Obama's bid to talk directly to North Korea and said the U.S. president's open engagement policy will weaken the negotiating power of Seoul's unpopular Lee Myung-bak administration. "President Lee should more carefully listen to the voices of opposition parties and the people, who are calling for a change to his hard-line stance on North Korea," Kim said in a statement. (Yonhap, "Seoul Lawmakers Hope for Closer Ties over N. Korean Nuke Issue," January 21, 2009)

1/23/09

Kim Jong Il met with Wang Jiarui, the head of the Chinese Communist Party's International Department, Chinese and North Korean media said, in his first reported contact with a foreign envoy since questions about his health surfaced last year. In the talks in Pyongyang, Kim told that North Korea wants to boost cooperation with China to promote the six-party denuclearization process, Xinhua said. The official media of both China and North Korea released pictures of the event, some with Kim smiling and shaking hands with Wang. No video footage was shown on Chinese state-run television. (Kyodo, "N. Korea's Kim Holds First Talks with Foreign Envoy Since Reported Illness," January 23, 2009) "Wang delivered a letter to Kim from Chinese President Hu Jintao. In his letter, Hu, on behalf of the CPC, the Chinese government and people, extended Spring Festival greetings to the DPRK party, government and people. This year marks the 60th anniversary of diplomatic ties between China and the DPRK, and 2009 is also the 'Year of the China-DPRK Friendship,' the Chinese president noted in the letter. ...The 'Year of DPRK-China Friendship' launched at the 60th anniversary of the two nations' diplomatic ties was aimed to help the younger generations of both countries to understand the significance of the DPRK-China traditional friendship, Kim said." The purpose was to "strengthen coordination between China and North Korea to work together and push forward the six-party talks (Xinhua, "Top DPRK Leader Kim Jong Il Meets with Visiting CPC Official," January 23, 2009) North Korean leader Kim Jong-Il said he wanted a nuclear-free Korean peninsula, declaring his willingness to work with China to push forward the six-party process, Chinese state media reported. "The Democratic People's Republic of Korea (DPRK) is committed to the denuclearization of the Korean peninsula, and hopes to live in peace with all other sides," Kim was quoted as saying by Xinhua. "We don't want to see tension emerge in the situation on the peninsula, and we are willing to strengthen coordination and cooperation with China and push forward the six-party process without interruption." (AFP, "N. Korea's Kim Wants Nuclear-Free Region: Chinese Media," January 23, 2009) During the meeting, North Koreans briefed China on its desire to do "something" at the beginning of the Obama administration to "test the waters." Beijing got assurances that Pyongyang would exercise restraint. (Crisis Group, *North Korea's Missile Launch: The Risks of Overreaction*, March 31, 2009, p. 7)

Referring to Kim's renewed commitment to the denuclearization of the Korean Peninsula made during a visit to Pyongyang by a senior Chinese official, State Department spokesman Robert Wood said, "That's a good thing." (Kyodo, "U.S. Hails N. Korean Leader's Positive Stance on Six-Way Nuke Talks," January 23, 2009)

A special investigation committee for nuclear weapons management and examination of the U.S. Department of Defense recently made public a report designating the DPRK as a nuclear weapons state. The report said that the DPRK has not only several nuclear weapons but a missile system capable of delivering them. Commenting on this, foreign press reports said that the report put the DPRK in the same category as that of India and Pakistan recognized as unofficial nuclear weapons states. (KCNA, "U.S. Defense Department Designates DPRK As Nuclear Weapons State," January 23, 2009)

North Korea plans to develop Wi Hwa Island in the Yalu River, which separates the country and China, into a free trade zone for which Chinese will not need visas, according to sources following China-North Korea relations. (Makinoda Toru, "N. Korea Plans Free Trade Zone on Island," *Yomiuri Shimbun*, January 23, 2009)

1/24/09

The government is expected to make greater efforts to preserve and more effectively use uninhabited islands in its control, including remote border islands, in an effort to strengthen Japan's exclusive economic zone (EEZ) around them, sources said. While there has been friction between Japan and neighboring countries over maritime interests, the government plans to enlist fishermen to protect the islands by sending them to patrol the areas, they said. The government also aims to use the islands for meteorological observatories, fisheries and the development of ocean energy and mineral resources, according to the sources. The Headquarters for Ocean Policy, led by Prime Minister Taro Aso, likely will map out the basic policy to preserve and control isolated islands for ocean management as early as this summer. It would be the nation's first comprehensive policy for the preservation and effective use of such islands. There are 6,852 islands that make up Japan, with all but five of them--Honshu, Hokkaido, Kyushu, Shikoku and the main island of Okinawa--defined as remote. (*Yomiuri Shimbun*, "Government to Make Greater Use of Remote Isles; Policy Aims at Boosting EEZ Claim," January 25, 2009)

1/27/09

"I don't know, and I don't know that the Democratic Party of Japan knows, exactly what it wants to do on foreign policy," said J. Thomas Schieffer, the outgoing US ambassador before his departure from Tokyo this month. "Opposition parties traditionally have more lively rhetoric before elections than they do when they try to govern," Schieffer said. "You always have to wait until the election is over to find out what people really think." (Mure Dickie, "The 'Alien' Vows to Tame Power of Civil Service: Interview with Hatoyama Yukio," *Financial Times*, January 27, 2009, p. 9)

SecDef Robert Gates: "On North Korea, the six-party talks have been critical in producing some forward momentum--especially with respect to North Korea's plutonium production--although I don't think anyone can claim to be completely satisfied with the results so far. These talks do offer a way to curtail and hopefully

eliminate its capacity to produce more plutonium or to enrich uranium, and reduce the likelihood of proliferation. Our goal remains denuclearization, but it is still to be seen whether North Korea is willing to give up its nuclear ambitions entirely. (Secretary of Defense Robert M. Gates, Submitted statement to the Senate Armed Services Committee, January 27, 2009)

12/29/09

Committee for the Peaceful Reunification of the Fatherland statement: "The Lee Myung-bak gang ... are holding emergency meetings everyday and clamoring about reinforcing the alert posture. At the same time, they are putting the entire puppet forces on a war preparation posture and focusing, on a large scale, the puppet Army, Navy, and Air Force in the areas along the Military Demarcation Line [MDL], including on the West Sea [Yellow Sea]. Rather than withdrawing the extremely foolish Denuclearization, Opening, 3000 [Initiative], the traitor Lee Myung-bak even put the wicked element, who designed this confrontation scenario, at the head position of the Unification Ministry despite unilateral denunciation and rejection from inside and outside the country. This is a declaration made before the world that he will hold out against us to the end. North-South relations have reached a situation where there is neither a method to settle the relations nor hope to correct them. The political and military confrontation between the North and the South has reached an extreme degree that it is on the brink of a war where fire will strike against fire and iron against iron. ... In a situation where the traitorous gang recklessly insults our people's supreme dignity and has entirely denied the 15 June Joint Declaration and 4 October Declarations that had been adopted at the North-South summits, what room do we have to talk about the so-called dialogue now and how can we talk about reconciliation and cooperation. ... First, [we] nullify all agreed upon matters related to resolving the state of political and military confrontation between the North and South. ... Second, [we] abrogate the Agreement on Reconciliation, Non-Aggression, Cooperation, and Exchange between the North and South and provisions on the West Sea Military Demarcation Line which are stipulated in its appendix. Chapter 2 Article 11 of the Agreement on Reconciliation, Non-Aggression, Cooperation, and Exchange Between the North and South which was adopted in 1991 stipulates that the North and South will regard the non-aggression boundary line and zone as the Military Demarcation Line and zone controlled by both sides, as defined in the Armistice Agreement. Also Chapter 3 Article 11 of the appendix on non-aggression stipulates that the maritime non-aggression zone will be controlled by both sides until the maritime non-aggression boundary line is settled." (KCNA, "DPRK Committee to 'Nullify' Inter-Korean Political, Military Agreements," January, 29, 2009) [The Sea Military Demarcation Line issue was resolved through both the South-North Basic Agreement in December 1991 and the Protocol on Non-aggression in September 1992. Article 9 of the Protocol on Non-aggression states that "the South-North demarcation line and areas of non-aggression shall be identical with the Military Demarcation Line specified in the Military Armistice Agreement of 27 July 1953, and with the areas that have been under the jurisdiction of each side until the present time." Article 10 of the Protocol on the two side's jurisdiction area stipulates that "the South-North sea non-aggression demarcation line shall continue to be discussed in the future. Until the sea non-aggression demarcation line has been settled, the sea nonaggression zones shall be identical with those that have been under the jurisdiction of each side until the present

time." (Col. Moo Bong-ryoo, ROKA, "The Korean Armistice and the Islands," U.S. Army War College, November 3, 2009)]

The United States and its allies might have to deploy up to 460,000 soldiers to North Korea to stabilize the country in the worst-case scenario if it collapses and an insurgency erupts, concluded a Council on Foreign Relations report, "Preparing for Sudden Change in North Korea," by Paul B. Stares and Joel S. Wit. "The prospect of North Korea being absorbed by South Korea and US forces potentially being deployed near China's northeastern border are matters of acute concern," the report said. "The same fears helped trigger China's entry into the Korean War. Moscow undoubtedly shares many of Beijing's concerns, though Russia appears less poised to intervene should the situation deteriorate," it added. Foreign military intervention could create another dynamic. "If former elements of the North Korean military, its security and intelligence forces, or its large special operations force were to resist the presence of foreign forces, the size of the needed stabilization force would escalate dramatically," it said. "In an insurgency, according to a Defense Science Board study, as many as twenty occupying troops are needed for every thousand persons, implying a force of 460,000 troops," it said. "Coping with such a contingency would likely be impossible for the South Korean and American forces to manage alone," it added. "A possible breakdown over North Korea's stockpile of weapons of mass destruction would likely provide even stronger pressures to intervene," it said. "If the cohesion of the military were to begin to fray, preventing leaking of WMDs, materials and technologies beyond the North's borders would become an urgent priority," it said. "Although neighboring states share a common interest in preventing such leakage, serious differences could still arise over the necessity and execution of any military operation designed to secure WMDs." (AFP, N. Korean Collapse Might Require 460,000 U.S., Allied Troops: Study," January 29, 2009)

Committee for the Peaceful Reunification of the Fatherland statement: "The Lee Myung-bak gang ... are holding emergency meetings everyday and clamoring about reinforcing the alert posture. At the same time, they are putting the entire puppet forces on a war preparation posture and focusing, on a large scale, the puppet Army, Navy, and Air Force in the areas along the Military Demarcation Line [MDL], including on the West Sea [Yellow Sea]. Rather than withdrawing the extremely foolish Denuclearization, Opening, 3000 [Initiative], the traitor Lee Myung-bak even put the wicked element, who designed this confrontation scenario, at the head position of the Unification Ministry despite unilateral denunciation and rejection from inside and outside the country. This is a declaration made before the world that he will hold out against us to the end. North-South relations have reached a situation where there is neither a method to settle the relations nor hope to correct them. The political and military confrontation between the North and the South has reached an extreme degree that it is on the brink of a war where fire will strike against fire and iron against iron. ... In a situation where the traitorous gang recklessly insults our people's supreme dignity and has entirely denied the 15 June Joint Declaration and 4 October Declarations that had been adopted at the North-South summits, what room do we have to talk about the so-called dialogue now and how can we talk about reconciliation and cooperation. ... First, [we] nullify all agreed upon matters related to resolving the state of political and military confrontation between the North and South. ... Second,

[we] abrogate the Agreement on Reconciliation, Non-Aggression, Cooperation, and Exchange Between the North and South and provisions on the West Sea Military Demarcation Line which are stipulated in its appendix. Chapter 2 Article 11 of the Agreement on Reconciliation, Non-Aggression, Cooperation, and Exchange Between the North and South which was adopted in 1991 stipulates that the North and South will regard the non-aggression boundary line and zone as the Military Demarcation Line and zone controlled by both sides, as defined in the Armistice Agreement. Also Chapter 3 Article 11 of the appendix on non-aggression stipulates that the maritime non-aggression zone will be controlled by both sides until the maritime non-aggression boundary line is settled." (KCNA, "DPRK Committee to 'Nullify' Inter-Korean Political, Military Agreements," January, 29, 2009)

Lugar op-ed: "North Korean officials may have interest in expanding areas of traditional Nunn-Lugar application. For example, they have discussed retraining or otherwise accommodating the broad-based workforce and local population presently supporting the Yongbyon Nuclear Complex. The Nunn-Lugar program could also be applied to other locations connected to North Korea's nuclear program. Dr. Sigfried Hecker, former Director of the Los Alamos National Laboratory, recently wrote that he, among others, has held discussions in North Korea 'regarding the potential of redirecting nuclear workers to other scientific or industrial work.' North Korea's nuclear scientists and technicians are among the most educated and talented individuals in North Korean society. As the Yongbyon complex and any other nuclear facilities are dismantled, it is appropriate that these scientists have the opportunity to remain inside North Korea, helping to move the country in new and peaceful directions. I appreciate the keen interest that so many Republic of Korea leaders in government and academia have expressed about implementation of a version of the Nunn-Lugar Program in North Korea. It is in the best interests of everyone on the Peninsula that North Korea's nuclear scientists and other workers pursue meaningful occupations that substantially contribute to improved economic opportunities for all Koreans. While the precise structure of a future Nunn Lugar program in North Korea--including details of any cost-sharing arrangements--will be decided in future negotiations, now is the time for officials of countries represented in the Six Party Process, especially North Korea, to be considering possible models for eventual application." (Senator Richard Lugar (R-IN), "Application of the Nunn-Lugar Cooperative Threat Reduction Program in North Korea," *Chosun Ilbo*, January 28, 2009)

WikiLeaks cable: Monday, 12 January 2009, 09:12  
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**SUBJECT: ROK'S FOREIGN POLICY TOWARD THE NEIGHBORS: NORTH KOREA, JAPAN, CHINA AND RUSSIA**  
REF: A. TOKYO 3114 (TRILATERAL POLICY PLANNING) B. SECDEF DTG261447ZNOV08 (DEFENSE TRILATERAL TALKS) C. TOKYO 3416 (ROK-PRC-JAPAN TRILATS) D. SEOUL 1681 (ROK ON CHINA) E. SEOUL 1700 (ROK-PRC

### **Summary**

1. US diplomatic despatch discusses the tougher approach to North Korea adopted by South Korea's president, Lee Myoung-bak, after his election in 2008 - and Pyongyang's "severe" response. Key passage highlighted in yellow.

1. (C) Summary: As a presidential candidate, Lee Myoung-bak called for a "creative reconstruction" of Korea's foreign policy. In his February 2008 inaugural address, Lee criticized his two predecessors, saying, "At times over the last ten years, we found ourselves faltering and confused." He vowed to trade ideology for pragmatism as Korea's surest means of improving ties with its neighbors, and he's had some successes, especially with China and Russia, where Lee was able to expand substantially economic and political ties. Lee's efforts on Japan and North Korea are more mixed. With Japan, the South Korean public was not quite ready to accept fully Lee's attempts to compartmentalize history issues. Still, much progress was made in Seoul-Tokyo consultations on a variety of issues ranging from North Korea to economic to even security issues. On North Korea, Lee's conservative agenda was predictably rebuffed by Pyongyang. However, **all signs are that President Lee is quite comfortable in sticking to denuclearization and reciprocity as the basis of his North Korea policy, especially as it enjoys considerable support.** End Summary.

DPRK

2. (C) In a February 2007 speech that has widely come to be known as the "MB Doctrine," presidential candidate Lee Myung-bank firmed up his vision of his administration's North Korea Policy. Lee said his first priority would be to abolish what he described as his predecessors' "unprincipled and unilateral policy of appeasement" toward the DPRK and replace it with a policy that offered generous assistance in exchange for North Korea's complete nuclear dismantlement and Pyongyang's accommodation of South Korea's desire for family reunion, accounting of welfare and whereabouts of POWs from the Korean War and several hundred abductees after the war. Immediately upon taking office, the Lee Administration also made it clear that it would review all commitments from the two South-North summits -- June 2000 and October 2007. Senior Lee Administration officials complained publicly that the October 2007 summit between Kim Jong-il and President Roh Moo-hyun was arranged by Roh to favor the progressive candidate in the presidential election two months later and that therefore President Lee was not bound to fulfill promises amounting to billions of dollars of aid to the North.

3. (C) The response from Pyongyang was predictably swift and severe. **Using threatening language not heard since the Kim Young-sam days, North Korea has moved step by step to cut off inter-Korean relations.** Initially, all inter-Korean meetings were cancelled, with the North loudly proclaiming that food aid from the South was neither needed nor wanted. Thereafter, Pyongyang implemented a

draconian restriction in December of North-South cross-border traffic, stopping Kaesong tourism and severely limiting traffic to the Kaesong Industrial Complex. As the Kumgang tourism had been stopped by the South over the July shooting death of a Southern tourist, the net result has been a crippling blow to the KIC and Kumgang tourism, the two proudest results of the Sunshine policy.

4. (C) ***With both sides dug in, the outlook for any quick improvement in inter-Korean relations is slim to none.*** Much more likely is the continued "psychological war," as characterized by Foreign Minister Yu Myung-hwan in his recent meeting with the Ambassador. President Lee is determined not to give in to North Korean pressure. Our Blue House contacts have told us on several occasions that President Lee remained quite comfortable with his North Korea policy and that he is prepared leave the inter-Korean relations frozen until the end of his term in office, if necessary. **It is also our assessment that Lee's more conservative advisors and supporters see the current standoff as a genuine opportunity to push and further weaken the North, even if this might involve considerable brinkmanship.** Also favoring the Lee Administration's stance is the the Korean public, which is calm to the point of apathy about the inter-Korean situation.

Japan

5. (C) President Lee has made concerted efforts to improve relations with Tokyo, which were significantly strained during the Roh Moo-hyun era over history and territory issues. Lee sought to compartmentalize what he called "disputes over the past", stating in an early policy address that "South Korea and Japan should...try to foster a future-oriented relationship with a pragmatic attitude. Historical truth must not be ignored, but we can no longer afford to give up our future relations due to disputes over the past." Lee's vision was to look beyond the history-bound bilateral issues and create a Korea-Japan partnership active in the regional and global arena on issues like the denuclearization of the DPRK, strengthening of multilateral relationships, trade and economics, and cooperation on projects like alternative energy, communicable diseases, and poverty alleviation.

6. (C) So far, Lee's efforts have yielded some success, although Blue House officials would argue that results would have been far better had Tokyo shown more courage, especially in dealing with the Takeshima/Dokdo issue. For example, Lee pressed ahead with his plan to engage Japan on a more strategic regional and global level. Lee made the decision that Korea would participate in the October U.S.-Japan-Korea Trilateral Policy Planning talks (Ref A) in Tokyo. He then agreed to the U.S.-Japan-Korea Defense Trilateral Talks (Ref B) in Washington in November, the first trilateral defense talks in six years. Lee also initiated the first ever stand-alone China-Japan-Korea Trilateral Summit (Ref C) in Fukuoka in December. Critics will of course point out that there were no substantive results from these meetings, but the fact that the meetings were held at all is a significant result.

China



7. (C) President Lee has openly courted the Chinese, and he has chalked up some noteworthy successes. Less than one year into his term, Lee has already met with PRC President Hu Jintao three times, quite unprecedented in the history of ROK-PRC relations (Ref D); typically, in the past, the ROK could expect only one visit in a PRC president's ten-year term. Lee paid his first state visit to Beijing in May 2008 and met Hu again in August when Lee traveled to Beijing for the Olympics. Hu paid a state visit to Seoul August 25-26. President Lee made the relations seem a two-way desire. A Chinese Embassy contact told us that Beijing had been concerned that China-Korea relations would suffer because of the emphasis Lee wanted to put on improving U.S.-Korea relations. Therefore, China was pleasantly surprised that Lee was able to improve both bilateral relationships simultaneously. Kim Heung-kyu, Professor of Chinese Security and Foreign Policy at the Institute of Foreign Affairs and National Security, said Lee had effectively leveraged the U.S.-Korea relationship to improve relations with China, which is eager for closer ties with Korea to check U.S. and Japanese interests in the region.

8. (C) During Lee's first visit to Beijing, he and Hu issued a joint statement which upgraded the Korea-China relationship to a "strategic cooperative partnership". Our Chinese Embassy contact gave the clearest explanation of what was now "strategic" about the ROK-PRC relationship: that China's nomenclature to describe its relations with Korea was upgraded according to a roughly five-year schedule. In 1992, relations were normalized; in 1998, the first year of Kim Dae-jung's term as President, the Chinese upgraded the relationship to "cooperative partnership"; in 2002, it was upgraded again to "comprehensive cooperative partnership," and now it is "strategic cooperative partnership."

9. (C) Despite the name, **Koreans have found substantive strategic discussions with the Chinese frustratingly difficult.** For example, Lee, unlike his immediate predecessors, Kim Dae-jung and Roh Moo-hyun, added North Korean human rights to the Korea-China summit agenda in August, asking Hu not to repatriate North Korean refugees against their will. Hu did not respond to Lee's request (Ref E). Also, we understand, Lee asked Hu what China thought about the North Korean domestic political situation and whether Beijing had any contingency plans. This time, Hu apparently pretended not to hear Lee. Still, the ROK did not come away empty, because, despite initial Chinese objections, Lee was successful in including in the summit joint statement a commitment "to promote dialogue and cooperation in the field of international human rights."

Russia

10. (C) Lee has largely continued the trend of his predecessors in upgrading economic ties with Russia. ROK-Russia economic ties have grown more than 40% annually for the past three years, with two-way trade exceeding USD 15 billion in 2007. Much of the growth is due to Russia's natural resources. For example, Lee paid a state visit to Moscow in September and agreed to a contract for Russia to supply Korea with 7.5 million tons of natural gas annually for thirty years beginning from 2015, amounting to an estimated 20% of Korea's annual natural gas consumption. And despite doubts

about North Korea's cooperation, Lee agreed in principle to Russia exploring plans for a pipeline through North Korea to deliver the gas. The two countries also agreed to investigate the possibilities for linking the inter-Korean railway to the trans-Siberian railway system (Ref F).

11. (C) On his state visit, Lee also signed an agreement to upgrade the ROK-Russia relationship to a "Strategic Cooperative Partnership", the same term used by China to describe this year's upgrade to the ROK-PRC relationship. Ko Jae-nam, of MOFAT's Institute of Foreign Affairs and National Security, said Korea proposed using the term "Strategic Cooperative Partnership" after China used the term to describe the ROK-PRC relationship. Ko said Korea's objective in using the same terminology to describe the ROK-Russia relationship was to balance the ROK-PRC relationship.

#### Comment

12. (C) During a year in which President Lee faced considerable difficulty advancing his domestic agenda, his foreign policy efforts, if not wildly successful, at least did not get him into trouble. To a considerable degree, relations with South Korea's neighbors are driven by economic realities -- increased regional trade, investment, and tourism -- that mesh with Lee's pragmatic, non-ideological approach. Relations with North Korea were the outlier, as the DPRK took pains in 2008 to demonstrate that it could live without ROK assistance. STEPHENS

1/30/09

"I've spoken to President Obama on the phone. He understands South Korea's role," President Lee Myung-bak said on a live TV roundtable discussion. "South Korea, of all the countries in the world, cares the most about the North. The North needs to realize this. One year of standoff in 60 years of division is nothing... There'll be dialogue pretty soon." Speaking to Reuters on the sidelines of the World Economic Forum in Davos, South Korean PM Han Seung-soo said he hoped the North would hold dialogue rather than make threats. "We hope that instead of threats of this kind, North Korea would come out to talk to us on matters of mutual concern and interest," Han said. Asked whether the timing was tied to Obama's inauguration, he said: "I don't know what is behind their thinking, but I am sure that the inauguration of the Obama administration must have had some impact on the thinking of North Korea on global issues, as well as the issue of the Korean peninsula." (Jonathan Thatcher and Jack Kim, "North Korea, Trying to Jolt Obama, Warns South," Reuters, January 30, 2009)

Top U.S. academics and experts on North Korean affairs, including a former diplomat who is considered a strong candidate to become a special envoy to the Stalinist regime, will reportedly visit Pyongyang beginning February 3. The U.S. delegation will consist of six or seven individuals, according to reports. It will include Stephen Bosworth, the former U.S. ambassador to Seoul, who is reportedly being considered by the Barack Obama administration for the post of special envoy to North Korea. Other members will include former Assistant Secretary of State Morton Abramowitz and Leon Sigal, director of the Northeast Asia Cooperative Security Project at the Social Science Research Council in New York. The planned visit would be the first

major civilian-exchange initiative under the new Obama administration. (Michael Ha, "Obama's De Facto Envoy to Visit North Korea," *Korea Times*, January 30, 2009)

1/31/09

"If the idea of discussions on a confederation is raised,' said Kim Yong-tae, vice-chairman of the Supreme People's Assembly in Pyongyang, 'we can consider it. Confederation remains our goal. But we don't think the Lee Myung-bak administration supports the confederation concept. He is going in the other direction, driving the security situation in the peninsula to the brink of extreme danger.' For North Korea, Kim said, the test of Lee's intentions towards the North is whether he "changes his mind" and accepts the goal of staged movement toward a confederation agreed upon in the June 2000 and October 2007 summit declarations. 'We would like to find common ground to move toward the lowest stage of the confederation formula envisaged in the declarations. But at present, he is trampling on them.' I had requested in advance a discussion on North-South relations and was told that Kim was 'the expert on the subject.' But Kim wanted to talk mostly about relations with the Obama administration and about the nuclear negotiations, as did Foreign Minister Pak Ui-chun, General Ri Chan-bok and nuclear negotiator Li Gun. To probe Pyongyang's plans concerning the six-party talks, I submitted a detailed proposal for a 'grand bargain' in advance. North Korea, I suggested, would surrender to the International Atomic Energy Agency the 68 pounds (30.8 kilograms) of plutonium already declared in the denuclearization negotiations so far conducted. The United States would conclude a peace treaty ending the Korean War, normalize diplomatic and economic relations, offer food and energy aid on a long-term basis and support large-scale multilateral credits for rehabilitation of the North Korean economic infrastructure. The North Korean rebuff was categorical and explicit. Its declared plutonium has 'already been weaponized,' I was told repeatedly during ten hours of discussions. Pyongyang is ready to rule out the development of additional nuclear weapons in future negotiations, but when, and whether, it will give up its already-existing arsenal will depend on how future relations with Washington evolve." (Selig Harrison, "The Bottom Line in Shaping North Korea Policy," *Hankyoreh*, January 31, 2009)

2/2/09

A group of seven former U.S. government officials and experts were en route to North Korea Monday in the first major civilian exchange between the two nations since Barack Obama took office as new American president, according to Yonhap. The visit, which has drawn considerable interest as it may provide a glimpse of Pyongyang's stance on the Obama administration, includes high-profile academics and experts who could help shape Obama's foreign policy. They are also the first Americans to go to the North since Pyongyang's declaration Friday nullifying all non-aggression agreements with the South. The group includes Stephen Bosworth, a former U.S. ambassador to South Korea and alleged candidate for the post of special envoy to Pyongyang. Other specialists in the group are Jonathan Pollack, a professor of Asian and Pacific studies at the Naval War College, former Assistant Secretary of State Morton Abramowitz, and Leon Sigal, director of the Northeast Asia Cooperative Security Project at the Social Science Research Council. "We have information that the group will enter Pyongyang around Tuesday via Beijing," a South Korean MOFAT official said, asking not to be named. "We understand the media attention surrounding it, given the timing of the visit." The official downplayed the trip, however, saying it

appears to be part of routine academic exchanges. "It was scheduled a year ago and those experts make frequent visits to the North," he was quoted as saying. Although foreign media have reported the academics and experts will likely meet North Korea's top nuclear envoy Kim Kye-gwan and other senior officials, he said, their itinerary will be decided after arrival there. "It is the usual way North Korea works when receiving foreign guests," he noted. Members of the group — excluding Bosworth due to a scheduling conflict — plan to visit Seoul this weekend prior to returning home. South Korean government officials said they have not scheduled meetings with them. (*Korea Times*, "U.S. Experts En Route to Pyongyang," February 2, 2009)

2/3/09

North Korea has been moving what appear to be components of a long-range missile to a launching site, a South Korean official and news reports said, raising fears that it might test-fire a missile. The North Korean move, first reported by Yonhap and Sankei Shimbun, came amid concern among political analysts in Seoul, South Korea's capital, that the North might also try some sort of military provocation to help make its nuclear program a foreign policy priority for the Obama administration. In Washington, a State Department spokesman, Robert A. Wood, said he could not comment on the reports, calling them "an intelligence matter." But he added: "North Korea's missile activities and missile programs are of concern to the region. A ballistic missile launch by North Korea would be unhelpful and, frankly, provocative." Recent spy satellite images showed a train carrying a long, cylindrical object, believed to be a missile, heading to a new launching site on North Korea's western coast, Yonhap reported, quoting an unidentified government official. But in another dispatch late Tuesday, Yonhap said that intelligence officials were still tracking the train and that there was a possibility that the North would take it to another launching site. A South Korean government official reached today confirmed the train's movement, as cited by Yonhap. "We detected such a movement in the last week of January," the official said, speaking on condition of anonymity because he was not authorized to discuss the issue with reporters. The object is believed to be a Taepodong-2 missile, Yonhap said. The missile is designed to fly at least 4,200 miles, far enough to reach North America, and carry a payload of 1,400 to 2,200 pounds, according to the South Korean Defense Ministry. While not ruling out the possibility of a missile test, analysts and officials in Seoul said the North often "puts on a show" at its military facilities to stir up uncertainty among its neighbors. (Choe Sang-hun, "North Korea Activity Stirs Fears of a Missile Test," *New York Times*, February 4, 2009, p. A-11)

The United States strongly condemned North Korea's recent preparations for a possible long-range missile test and has slapped sanctions on three North Korean companies suspected of being involved in missile proliferation. "North Korea's missile activities and its missile programs are of concern to the [Northeast Asia] region. There is no secret there," said the U.S. State Department spokesman Robert Wood. "A ballistic missile launch by North Korea would be unhelpful, and frankly, provocative." Wood added that United Nations Security Council Resolution 1718 bans the North from engaging in missile-related activities. According to the February 2 edition of the *Federal Register*, the official journal that publishes notices by U.S. government agencies, the State Department slapped trade bans on Korea Mining and Development Corp. (Komid), Mokong Trading Corp. and Sino-Ki for being "engaged

in missile technology proliferation activities." The sanctions, which immediately took effect, bar the three companies from selling any products in the U.S. or taking part in U.S. government-related contracts, in line with the U.S. Arms Export Control Act. Also yesterday, Gen. Walter Sharp, the commander of U.S. Forces Korea, warned Pyongyang to "stop the provocations" in a speech during a forum in Seoul organized by the Korean American Association. "We're prepared ... for any contingency, any provocation," Sharp said "We watch North Korea along with the Republic of Korea very, very closely," he said, warning against "proliferation of technology for any nuclear capabilities." "North Korea seems to be very eager to forge good relations with the Barack Obama administration, and firing the missile will only reduce the possibility of doing so," said one senior government official in Seoul who declined to be named. "I do not think they will shoot themselves in the foot when they are eager to embrace what they believe will be a more favorable situation." (*JoongAng Ilbo*, "Washington Slaps Sanctions on 3 Suspect North Korean Companies," February 5, 2009)

Stinging insults, sudden cancellations of military agreements and dark warnings of "unavoidable" war are spilling out of North Korea almost daily. News media reports here and in Japan said North Korea is preparing to test-launch a long-range missile capable of carrying a nuclear warhead. The target for much of this bluster and saber rattling is the government of South Korea, which has stopped giving its heavily armed communist neighbor unconditional aid. Last year, the new South Korean president, Lee Myung-bak, ended his predecessors' "sunshine policy" toward the isolated North. For nearly a decade, that policy had soothed nerves on the Korean Peninsula by giving the truculent but poor government of Kim Jong-il large amounts of food, fertilizer and trade concessions, all without conditions and without asking questions about nuclear weapons, missile proliferation or human rights abuses. Chronically hungry North Korea has received virtually no food or fertilizer from Lee's government -- and nerves seem to be rubbed raw, at least within the North Korean leadership. It has called Lee a "traitor," a "sycophant of the United States" and the leader of a "fascist" state. It declared last week that it was junking all military and political agreements with the South. It warned February 2, in the North's *Rodong Sinmun*, that tension may lead to an "unavoidable military conflict and a war." The current round of foot-stomping in Pyongyang may be a similar kind of performance art, analysts here say. "This is quite consistent with North Korea's past track record of creating crisis to attract attention," said Koh Yu-whan, a professor of North Korean studies at Dongguk University in Seoul. So far, South Korea seems to be taking it that way. In recent days, Lee has played down the North's rhetoric, calling it "not unusual." South Korea's navy has been on alert along the country's western coast, where North Korea has said it would no longer recognize a maritime border. But Seoul has not detected unusual movements by the North Korean military. The real audience for the North's heightened belligerence may be the Obama administration. A senior official at North Korea's de facto embassy in Japan suggested in an interview that Pyongyang wants to grab the attention of the new leadership in Washington and pressure it, using threats of regional war, to lean on Lee. "Ignoring North Korea is very dangerous," said So Chung On, director of the international affairs bureau for Chosen Soren. "If Obama ignores North Korea, maybe the Korean Peninsula will be tense." He said North Korea wants the Obama administration to instruct South Korea that it should honor commitments -- on trade and food aid --

made by Lee's predecessors, Roh Moo-hyun and Kim Dae-jung. "Our military is very angry that South Korea is not abiding by the agreements made at those summits," So said. "Neglect of this is not so wise. The United States should send a message to Lee." (Blaine Harden, "With Obama in White House, North Korea Steps up Big Talk," *Washington Post*, February 4, 2009, p. A-10)

2/?/09 Several nonofficial American delegations were in Pyongyang in February. One of the delegations was told by a Foreign Ministry official, "You have no idea how bad things are about to get." (Oberdorfer and Carlin, *The Two Koreas*, p. 431)

2/6/09 South Korean security officials believe the most likely scenario for North Korean saber-rattling would be for the prickly state to fire short-range missiles into or over a Yellow Sea maritime border called the Northern Limit Line, *Chosun Ilbo* said. "We can prepare ourselves when signs of provocation like the firing of long-range Taepodong-2 missiles are monitored in advance. But it's difficult to cope with the abrupt firing of short-range missiles or a North Korean vessel firing missiles near the NLL," the paper quoted a security source as saying. (Jon Herskovitz, "North Korea Eyes Disputed Sea Area for Missiles: Report," Reuters, February 6, 2009)

2/7/09 SecState Hillary Clinton will visit South Korea later this month to discuss six-party talks on North Korea's nuclear dismantlement and strengthening of the Korea-U.S. alliance, the State Department said. "The issue of North Korea will come up in conversation," spokesman Robert Wood said in a daily news briefing where he announced Clinton's trip, which will also take her to Tokyo, Jakarta and Beijing. "We all want to see how we can get the North Koreans to abide by their international obligations." Wood was referring to North Korea's refusal to agree to a verification protocol for its nuclear facilities, which stalled the latest round of the multilateral talks in December. "She's very interested in hearing her counterparts' views about how we can best go forward and get the North to do what we all know it should be doing," Wood said. The spokesman would not go into details of what Clinton will discuss with Japan about Tokyo's refusal to do its part under the six-party deal, including provision of energy aid to the North. Japan claims Pyongyang has failed to provide enough of an explanation on the abduction of dozens of Japanese citizens decades ago by North Korean agents. "I don't want to get into the politics of oil shipments," Wood said. **"The important thing is that we meet our obligations. And when the North takes the steps that it's required to do under the six-party framework, we and the other members of the six-party framework will take the steps that we're required to do."** The U.S. has said it will suspend heavy oil shipments to the North, citing North Korea's refusal to allow samples to be taken from its nuclear reactor as part of a verification regime. (Yonhap, "Alliance and the North on Agenda for Clinton Visit," *Hankyore*, February 7, 2009)

2/8/09 South Korean intelligence reports are ominous: North Korea appears to be preparing to test-launch a ballistic missile with sufficient range to strike Alaska and possibly the West Coast. A train transporting a large cylindrical object was recently spotted by a U.S. surveillance satellite chugging toward a new launch pad site west of Pyongyang, the capital, a South Korean government source recently told news outlets here.

Allegedly on board was North Korea's most advanced missile, a Taepodong 2, being readied for a potential liftoff within two months. "The missile is pointing at Obama," said Baek Seung-joo, a director at the Korea Institute for Defense Analyses in Seoul. "North Korea thinks that with such gestures they can control U.S. foreign policy." "With this missile, North Korea is saying to Washington, 'Hey, you better not forget about us,'" said Moon Hong-sik, a research fellow at South Korea's Institute for National Security Strategy. "While you're concentrating on the Middle East problems, we're here waiting." Others are mystified by Pyongyang's apparent hastiness in preparing the launch. "One would have thought that North Korea would have been more patient for Washington's policies to become evident," said Bruce Klingner, a senior research fellow at the Heritage Foundation who specializes in East Asia politics. "But there are indications that Obama's policies might not be as conciliatory as expected. The administration has indicated that it will not accept North Korea as a nuclear state and that it must follow through with a complete and verifiable denuclearization." North Korean officials, Klingner said, "must be insulted and believe they need to respond. ...If the Taepodong 2 is launched successfully, that would change the threat assessment in Northeast Asia overnight," Klingner said. "The reaction would be, 'Oh my God, North Korea has a missile that can reach the U.S. This is a real threat, not a joke.'" (John M. Glionna, "N. Korea Missile Trial May Be a Test of U.S.," *Los Angeles Times*, February 8, 2009)

Jonathan Pollack, a professor at the U.S. Naval War College who arrived in Beijing from Pyongyang, said the North is aware of the importance of the six-party talks on ending the North's nuclear program. "But I felt that they favor direct talks with Washington over the multilateral talks," he said. "Contrary to the hostile rhetoric it used against South Korea, the North didn't appear to make preparations to test a long-range missile," said Stephen Bosworth, former U.S. ambassador to South Korea. "When we expressed worries over the launch, North Korean officials said we should all wait and see." (*Chosun Ilbo*, "N.K. Seeks Bilateral Talks with U.S. on Nukes," February 9, 2009)

Stephen Bosworth, a former US ambassador to South Korea and now dean at the Fletcher School of diplomacy at Tufts University, said senior North Korean officials he met in his five-day visit to Pyongyang would not confirm or deny any missile launch plans. "They said we should all wait and see," he said of the possibility of launches. "There was no threat, no indication that they were concerned. They treated the missile issue as just another run-of-the-mill issue." The North Korean officials told Bosworth's group of seven US academics and former officials that their country wants progress in the six-party nuclear disarmament talks, which have faltered in dispute over the North's obligations and its demands for more heavy fuel oil shipments. "We concluded that the outlook is that we can continue to work toward eventual denuclearization of the Korean peninsula," Bosworth told reporters at Beijing airport. "They understand that the [US President Barack] Obama administration will need some time to sort itself through the [North Korea] policy review and they expressed patience. There's no sense of alarm or urgency," he said. *Rodong Sinmun*, the official daily of the ruling communist party, said North Korea had every right to develop a space program as a member of the international community. "The DPRK's policy of advancing to space for peaceful purposes is a justifiable aim that fits the global trend of the times. There is no power in

the world that can stop it," the newspaper said in an editorial. "As long as developing and using space are aimed at peaceful purposes and such efforts contribute to enhancing human beings' happiness, no one in the world can find fault with them," it said. (*JoongAng Ilbo*, "North Korea Sets New Conditions for Disarmament Talks," February 8, 2009)

2/9/09

The newly launched Barack Obama administration in the United States should broaden its scope of engagement with North Korea to cover a variety of issues, taking lessons from the "politically fragile" approach of its predecessor, said Joel S. Wit, a former State Department official who worked on U.S. policy toward North Korea in the 1990s. He pointed out that resolving the North Korean problem is far more difficult now than eight years ago. "The Obama administration should broaden the scope of engagement through establishing new venues for bilateral and multilateral talks ... on setting up a peace regime and locating the remains of U.S. soldiers [killed during the 1950-53 Korean War]," he said in a Seoul seminar. "That will create a much more stable and stronger engagement process." Wit, an adjunct senior research fellow at the Weatherhead East Asia Institute of Columbia University, also said Washington should not hesitate to deal directly with Pyongyang at whatever level is necessary, ranging from special envoys to the president. Obama has yet to appoint a special envoy to North Korea. Wit said that whoever will be chosen could be an early indicator of Obama's policy on Pyongyang, which has not yet taken concrete shape. "Whether a senior prominent person who directly reports to the secretary and the president or a low-level official, the same level with Chris Hill, or a lower level, is very important," he said. (*Yonhap*, "Pyongyang Expert Warns of North's Nuclear Plans," *JoongAng Ilbo*, February 10, 2009)

2/?/09

SecDef Gates: "Admiral Tim Keating, commander of all U.S. forces in the Pacific, told a press conference about U.S. capabilities to shoot down North Korea's Taepo Dong-2 missile and that a prospective launch would be a 'stern test' of the new administration. The president was furious at what he called 'freelancing' as well as the admiral's presumption in appearing to judge the president. In his view, Keating's remarks created serious problems for the administration: if the president ordered the missile shot down, Keating had telegraphed our punch and made non-attribution difficult to sustain; if the president decided not to act, people would wonder why. Mullen and I asked the president if he wanted Keating relieved. Obama said no, that everyone deserved a second chance, but he told me to call Keating and reprimand him. Keating flew from Hawaii to Washington for a ten-minute meeting with me. I told him of the president's unhappiness but that we all wanted him to stay - and to learn from the experience." (Gates, *Duty*, p. 339)

2/11/09

Defense Secretary Robert Gates downplayed the threat of the North's Taepodong missile, which he said showed poor performance in the 2006 test. "Since the first time that they launched the missile, it flew for a few minutes before crashing, the range of the Taepodong II remains to be seen," Gates told reporters at a Pentagon press conference. "So far, it's very short." But Gates also suggested Washington is ready to respond to any real missile threat from the North. When asked if the U.S. military is prepared to shoot down the North's missile if it's fired toward U.S. territory, he said, "I



certainly intend to make sure that my colleagues - the secretary of state, national security adviser, president and vice president - understand what our capabilities are, and that that's an option out there should ... we deem it necessary." Earlier, Secretary of State Hillary Clinton also expressed concerns over Pyongyang's recent flurry of hostile rhetoric and suspected missile test preparation, calling the latest developments "unacceptable." The recent comments from two top Washington officials came a week before Clinton's scheduled visit to Northeast Asia, including South Korea. Clinton reiterated Washington's commitment to the six-party talks amid growing concerns in Seoul that the new U.S. administration may prefer direct bilateral negotiations with Pyongyang. "North Korea has to understand that all of the countries in East Asia have made it clear that its behavior is viewed as unacceptable," she said in a press conference in Washington. "And there are opportunities for the government and people of North Korea to engage through the six-party talks ... we're hopeful that we will see that in the weeks and months ahead." (Jung Ha-won, "U.S. May Down a Threatening Missile," *JoongAng Ilbo*, February 12, 2009)

The foreign ministers of South Korea and Japan expressed strong concern about North Korea's recent flurry of hostile rhetoric and its suspected preparations for a missile test. Yu Myung-hwan and his Japanese counterpart, Hirofumi Nakasone, indicated that Kim Hyun-hee, the former North Korean spy behind the 1987 bombing of a Korean Air flight, will likely meet with the family of Taguchi Yaeko. Taguchi, a Japanese woman abducted by the North in 1978, is believed to have been Kim's Japanese language tutor during her spy training. "We are coordinating details," Yu said yesterday in a press conference, and the much-anticipated meeting between Kim, who currently lives in South Korea, and Taguchi's family "would take place soon." Nakasone arrived in Seoul for his first official visit here. Before coming, Nakasone told Japanese reporters that he would ask for Seoul's cooperation in arranging the meeting, which both Kim and Taguchi's family have agreed to. The two top diplomats urged Pyongyang to stop fanning security concerns in the region. "Cooperation among Japan, South Korea and the United States is crucial to resolving the North Korea issue," Nakasone said in a joint press conference. "When U.S. Secretary of State Hillary Clinton visits Japan and South Korea, we will coordinate how to forge cooperation among the three countries based on what was discussed in the meeting today." (Jung Ha-won, "South Korea and Japan Team up to Denounce North," *JoongAng Ilbo*, February 12, 2009)

In a rare extensive military shakeup, North Korea said its leader Kim Jong-il appointed a new defense minister and chief of general staff, spawning speculation about his intentions as cross-border tension mounts. Unusual that it was even announced, the reshuffle reported by state-run media today has drawn attention because of the sensitive timing. The new top military brass appeared to be combat savvy and are known to be close confidants to Kim, analysts said. The shakeup should not be overstretched to portend imminent military action. Cha Doo-hyeon, a North Korea specialist with the Korea Institute for Defense Analyses, said the North Korean leader maintains his absolute power by regularly changing the top military leaders. "Kim promotes the military as the nation's top priority, but he knows the danger of it. Characteristic of a regime controlled by one man, the leader does not give all the

power to a single person," Cha said. "With the shakeup, Kim Jong-il is showing that he is powerful and is the only one who can decide on military action and a successor." (Kim Hyun, "N. Korean Leader Displays His Power with Military Shakeup," Yonhap, February 12, 2009)

Stephen Bosworth is expected to be named as the U.S. envoy to six-party talks, sources familiar with the matter said. The sources spoke on condition they not be identified, noting that the selection of the envoy was a sensitive matter ahead of U.S. Secretary of State Hillary Clinton's visit to Japan, Indonesia, South Korea and China next week. Bosworth, dean of the Fletcher School of Law and Diplomacy at Tufts University, declined comment (Reuters, "U.S. Seen Naming Bosworth as North Korea Nuclear Envoy," February 11, 2009)

The United States will send a team next week led by Alexander Arvizu, deputy assistant secretary for East Asian and Pacific affairs, to six-country talks in Moscow on regional security, DoS spokesman Robert Wood said today. The February 19-20 meeting in Moscow coincides with SecState Hillary Clinton's visit to Seoul. The administration is reviewing U.S. policy toward North Korea, but Wood said this did not preclude U.S. participation in the working group meeting in Moscow. "You can go to meetings and offer preliminary views, hear from others. I don't see anything unusual about that." (Reuters, "U.S. to Attend Six-Party North Korea Talks in Moscow," February 12, 2009)

2/12/09

North Korea is unlikely use its nuclear weapons unless it feels the regime's survival is at risk, Dennis Blair, director of national intelligence, told Congress. The remark signaled a softened U.S. threat perception on North Korea's nuclear ambition. "Pyongyang probably views its nuclear weapons as being more for deterrence, international prestige, and coercive diplomacy than for war-fighting and would consider using nuclear weapons only under certain narrow circumstances," he said in a report presented at a Senate Select Committee on Intelligence hearing. "We also assess Pyongyang probably would not attempt to use nuclear weapons against U.S. forces or territory unless it perceived the regime to be on the verge of military defeat and risked an irretrievable loss of control," Blair said in the report, titled "Annual Threat Assessment of the Intelligence Community." The report said that Pyongyang "is less likely to risk selling nuclear weapons or weapons-quantities of fissile material than nuclear technology or less sensitive equipment to other countries or non-state actors, to avoid "a regime-ending military confrontation with the United States." (Jin Dae-wong, "N.K. Nukes for Survival," *Korea Herald*, February 14, 2009) DNI: **"Pyongyang is less likely to risk selling nuclear weapons or weapons-quantities of fissile material than nuclear technology or less sensitive equipment to other countries or non-state actors, in part because it needs its limited fissile material for its own deterrent.** Pyongyang probably also perceives that it would risk a regime-ending military confrontation with the United States if the nuclear material was used by another country or group in a nuclear strike or terrorist attacks and the United States could trace the material back to North Korea. It is possible, however, that the North might find a nuclear weapons or fissile material transfer more appealing **if its own stockpile grows larger or its faces an extreme economic crisis where the potentially large revenue from such a sale could help the country survive."** (DNI Admiral Dennis Blair, testimony to Congress, quoted in Mary Beth Nikitin, "North

*Korea's Nuclear Weapons: Technical Issues*, (Washington: Congressional Research Service, February 12, 2013)

North Korea has reportedly deployed artillery near its sea border with South Korea amid growing tensions. *Munhwa Ilbo* said the number of guns, mostly 100-mm artillery pieces, increased by 30 percent last year from 2007. The buildup began in early 2008 when conservative President Lee Myung-Bak took office in Seoul, it quoted an unidentified senior government official as saying. *Munhwa Ilbo* said North Korean artillery units in the area have also stepped up training, raising tensions in the West Sea. In response, the Seoul military has strengthened contingency plans to counter possible provocations, the official was quoted as saying. Military sources were quoted as saying the North now regards artillery as more effective than ships in any border clash, mostly because the North does not have much fuel to power its navy and air force. In the meantime, *Chosun Ilbo*, quoting an unidentified South Korean government official, said reported that the Taepodong-2 missile has recently been moved to the east coast Musudan-ni missile site, but has not yet been seen near the launch pad. "We assume that they are currently assembling the first and second-stage rockets," the newspaper quoted the official as saying. (*Korea Herald*, "N.K. Said to Be Building up Artillery," February 14, 2009)

Turmoil within the Liberal Democratic Party continues to rumble on following former PM Koizumi's stinging criticism of current premier Aso Taro, leading to speculation that a yawning chasm could open up within the LDP. Koizumi's anti-Aso remarks have spurred on LDP legislators keen to distance themselves from Aso. Koizumi lashed out at Aso during a meeting of the LDP decision-making General Council, citing the premier's gaffes in connection with the privatization of the postal service and questioning the wisdom of his 2 trillion yen cash handout program--the centerpiece of Aso's stimulus plan. (Hayashi Hirohide and Kawakami Osamu, "Koizumi Could Drive Wedge through LDP," *Yomiuri Shimbun*, February 15, 2009)

Mary Beth Nikitin, *North Korea's Nuclear Weapons*, Congressional Research Service RL34256, February 12, 2009

2/?/09

The government considered sending a special envoy representing PM Aso Taro to North Korea early this year and was holding talks with Pyongyang for that purpose, sources close to Japan-North Korea affairs said August 10. The aborted plan was intended to break the impasse in the relationship between the two countries by, for example, urging North Korea to honor its promise to conduct a fresh investigation into the fate of Japanese abducted by the reclusive state. But the negotiations were discontinued in early March because North Korea was reportedly preparing to fire a ballistic missile in addition to other actions considered hostile toward the international community, the sources said. According to the sources, high-ranking officials at the Prime Minister's Office approached North Korea with a proposal to start negotiations over the dispatch of a special envoy to Pyongyang, and Aso's aides began contacts with the North in late December via the General Association of Korean Residents in Japan (Chongryon). A heavyweight Diet member had been tipped as the envoy, the

sources said. (*Yomiuri Shimbun*, "Government 'Eyed Sending Envoy to North Korea,'" August 11, 2009)

2/13/09

SecState Clinton: "We will need to work together to address the most acute challenge to stability in Northeast Asia, North Korea's nuclear program. The Obama Administration is committed to working through the Six-Party Talks, and I will discuss with South Korea, Japan, and China how best to get the negotiations back on track. We believe we have an opportunity to move these discussions forward, but it is incumbent upon North Korea to avoid any provocative action and unhelpful rhetoric toward South Korea. The North Korean Government has committed to abandoning all nuclear weapons and to return at an early date to the Treaty on Nonproliferation of Nuclear Weapons. We continue to hold them to those commitments. If North Korea is genuinely prepared to completely and verifiably eliminate their nuclear weapons **program**, the Obama Administration will be willing to normalize bilateral relations, replace the peninsula's longstanding armistice agreements with a permanent peace treaty, and assist in meeting the energy and other economic needs of the North Korean people. On a related matter, I will assure our allies in Japan that we have not forgotten the families of Japanese citizens abducted to North Korea. And I will meet with some of those families in Tokyo next week. ... **Q.** North Korean Philharmonic wants to hold a concert in New York, in response to when the New York Philharmonic went there. Is there any condition in changing the atmosphere before such visas could be granted? **CLINTON:** Well, I am hopeful that we will be able to engage the North Korean Government in the kind of serious discussion that I referred to in my remarks, one that could lead with their fulfilling their commitments regarding denuclearization and nonproliferation to bilateral relations and opportunities for the kind of normalization that I think many would hope to see. So much of it depends upon the choices that they make. But we will look at all of these individual decisions - like the Philharmonic coming here, for example - and consider whether or not that does help us to try to change the atmosphere to increase the connections between North Koreans, and certainly, Americans get it off of just the government-to-government six-party talks and bilateral discussions that have been the, you know, predominant or only way of that kind of formal relationship. So much of it depends upon the choices that the North Korean Government makes. And certainly, we are hopeful that they will not engage in provocative actions and words that could create a much more difficult path for us to walk with them. (DoS, Secretary Clinton at the Asia Society, New York, February 13, 2009)

2/15//09

On the eve of Kim Jong-il's birthday, Kim Young-nam called for "a struggle to drop a frightening iron hammer on anti-unification war mongers who have pushed inter-Korean relations to the brink of war and are bringing the disaster of a nuclear war on the head of the Korean people." The unprecedented threat issued by Kim, president of the Presidium of the Supreme People's Assembly, is a strong sign that North Korea is determined to turn its recent verbal attacks into action, analysts said. He also accused the Lee government of defaming the "supreme dignity of the Korean people," referring to leader Kim Jong-il, saying, "If they challenge the DPRK to the last despite its repeated warnings, it will punish the group of traitors with decisive action." (Kim Hyun, "N. Korean Nominal Head's Rare Warning May Be Prelude to Provocation:

2/16/09

"Recently the U.S. and some other countries claimed that the DPRK is making 'preparations for launching long-distance missile.' It is a grave challenge to the DPRK that the anti-DPRK hostile forces spread the rumor about the DPRK's 'preparations for launching a long-distance missile' with the 'collected information' without proper understanding of the fact. This is a vicious trick to put a brake on the wheel of not only the DPRK's building of military capability for self-defense but also scientific researches for peaceful purpose under the pretext of missile. One will come to know later what will be launched in the DPRK. Space development is the independent right of the DPRK and the requirement of the developing reality. (KCNA, "KCNA on DPRK's Right to Space Development," February 16, 2009)

Conservative lawmakers today urged the government to shift its position on North Korea's nuclear programs to better cope with what they called the de facto nuclear state.

Hardliners have gained the upper hand in the legislature since North Korea announced that it will scrap all inter-Korean agreements and appeared to be preparing to test-fire a long-range missile. Rep. Yoon Sang-hyun of the governing Grand National Party (GNP) proposed the creation of a presidential body to manage the situation in case a North Korea-led nuclear crisis takes place on the peninsula. "The U.S. government seeks both denuclearization and non-proliferation as its policy goals regarding the North Korean nuclear program, but its emphasis has been moving toward non-proliferation," the lawmaker observed during an interpellation session. Yoon claimed "nuclear armament in the North is real and the threat could turn into a reality," calling for the government to modify its strategies as the premise of its foreign policy and security has changed. The new strategy should be based on the assumption that the North possesses nuclear weapons, although the South does not recognize the North as a de facto nuclear state, the lawmaker said. Rep. Chung Jin-suk also of the GNP insisted that the North might misinterpret what U.S. Secretary of State Hillary Clinton said in her speech to the Asia Society in New York on Feb. 13 for its own sake. Clinton said that "if North Korea is genuinely prepared to completely and verifiably eliminate their nuclear weapons program, the Obama administration will be willing to normalize bilateral relations, replace the peninsula's longstanding armistice agreements with a permanent peace treaty and assist in meeting the energy and other economic needs of the North Korean people." Citing Clinton's remarks, Chung forecast that "North Korean leader Kim Jong-il may think that his country might be able to normalize diplomatic relations with the United States without giving up the nuclear weapons." Minor Liberty Forward Party (LFP) leader Lee Hoi-chang expressed concern about the North's possible misconception of Hillary's speech. "We've learned that the North has not taken the following measures it promised and it has repeated the bad practice again and again over the past decade. Therefore, we cannot rule out the possibility that it may promise to eliminate the nuclear programs this time and then not take the adequate action afterwards," Lee said. He insisted the North's dismantlement of its nuclear programs be a precondition to aid and, without this, the possibility of Pyongyang not coming up with the measure it promised cannot be ruled out. Rep. Lee Myoung-su of the LFP proposed the

government scrap its policy of conditionally engaging North Korea in return for its dismantlement of the nuclear program, dubbed Denuclearization 3000 Vision, because the North has not been responsive to it. He asked Prime Minister Han Seung-soo if he was willing to consider sending a clear message through a written message to the North that it shouldn't expect economic assistance without taking adequate measures for denuclearization. Han did not give a direct answer to the lawmaker's proposal. (Kang Hyun-kyung, "Conservatives Call for Steps against Nuclear N. Korea," *Korea Times*, February 16, 2009)

2/?/09 DPJ leader Ozawa told reporters that U.S. military bases in Japan are unnecessary and that the presence of the U.S. 7<sup>th</sup> fleet is sufficient to protect U.S. and Japanese interests. "We are depending too heavily on the U.S., which is why we are so obedient to the wishes of America. If Japan would make up its mind about itself, there would be no need for the U.S. to have its forces on the front lines in Japan." (Funabashi Yoichi, "Tokyo's Trials," *Foreign Affairs*, November/December 2009, p. 114)

2/17/09 Secretary of State Hillary Clinton warned North Korea against carrying out a possible missile launch, saying such an act would be "very unhelpful in moving our relationship forward." Clinton, who agreed with Japanese FM Nakasone Hirofumi in Tokyo to reinforce cooperation in dealing with North Korea, reiterated Washington's willingness to make a "reciprocal response" to normalize relations with Pyongyang if it implements verifiable and complete denuclearization. "The decision as to whether North Korea will cooperate in the six-party talks (and) end provocative language and actions is up to them," Clinton said at a joint news conference with Nakasone. "We are watching very closely." (Kyodo, "Clinton Warns N. Korea Not to Launch Missile," February 17, 2009)

An image, taken today by DigitalGlobe Inc., shows many people in front of a missile assembly and inspection building at Musudan-ri. GlobalSecurity.org, a U.S. military think tank, said the photo shows an unusual level of activity. The Musudan-ri launch site is the facility from which North Korea launched a Taepodong-2 missile in 2006. The site also contains a missile control building and a launchpad. The image shows the size of the missile assembly and inspection building was extended by about 30 meters compared to pictures of the facility taken in June. The enlargement of the building corresponds to a possible larger missile, GlobalSecurity Senior Fellow Tim Brown said. (Masumitsu Hiroshi, "New Image of N. Korean Missile Site Shows New Activity," *Yomiuri Shimbun*, February 22, 2009)

Selig Harrison: "Will North Korea ever give up its nuclear weapons? To test its intentions, I submitted a detailed proposal to Foreign Ministry nuclear negotiator Li Gun for a "grand bargain" in advance of a visit to Pyongyang last month. North Korea, I suggested, would surrender to the International Atomic Energy Agency the 68 pounds of plutonium it has already declared in denuclearization negotiations. In return, the United States would conclude a peace treaty formally ending the Korean War, normalize diplomatic and economic relations, put food and energy aid on a long-term basis, and support large-scale multilateral credits for rehabilitation of North Korea's economic infrastructure. The North's rebuff was categorical and explicit. Its declared plutonium has "already been weaponized," I was told repeatedly during ten hours of

discussions. Pyongyang is ready to rule out the development of additional nuclear weapons in future negotiations, but when, and whether, it will give up its existing arsenal depends on how relations with Washington evolve. Sixty-eight pounds of plutonium is enough to make four or five nuclear weapons, depending on the grade of plutonium, the specific weapons design and the desired explosive yield. Li Gun would not define "weaponized," despite repeated questions, but Gen. Ri Chan Bok, a spokesman of the National Defense Commission, implied that it refers to the development of missile warheads. Faced with this new hard line, the United States should choose between two approaches, benign neglect and limiting the North's arsenal to four or five weapons. ...Just in case Pyongyang has, in fact, learned to miniaturize nuclear warheads sufficiently to make long-range missiles, the Obama administration should couple a resumption of denuclearization negotiations with a revival of the promising missile limitation negotiations that the Clinton administration was about to conclude when it left office. 'If we can have nuclear negotiations,' said negotiator Li Gun, 'why not missile negotiations?'" (Selig Harrison, "Living with a Nuclear North Korea," *Washington Post*, February 17, 2009, p. A-13)

2/18/09

SecState Clinton in Tokyo met with relatives of people kidnapped by North Korea She stressed that international cooperation is key to resolving the long-running problem. "Clinton said she would think seriously about how to treat the problem, although she avoided discussing details," Iizuka Shigeo, chair of the Association of the Families of Victims Kidnapped by North Korea, told reporters after the meeting in Tokyo, noting she used both the terms "pressure" and "talks" when mulling future plans. Clinton told Iizuka and other representatives that she has long been concerned about the issue, which she felt the U.S. should prioritize, Iizuka said. Iizuka's sister, Taguchi Yaeko, was kidnapped in 1978. Clinton "said that isolated talks, just between the U.S. and North Korea, or between Japan and North Korea, would not work, because North Korea is a cruel country whose methods she cannot comprehend," Iizuka said, adding she expressed sympathy and inquired about the well-being of the five abductees who were repatriated in 2002. "I talked to her as mother to mother," said Yokota Sakie, whose daughter, Megumi, was abducted by North Korean agents in 1977 when she was 13. (Kato Mariko, "Clinton Meets Abductees' Relatives, Pledges to Help Find Resolution," *Japan Times*, March 22, 2009) When State Department officials objected to her meeting with Japanese families whose children had been abducted by North Korea, she brushed aside any concerns about diplomatic repercussions. "I made a promise to Senator [Daniel K.] Inouye and I intend to keep it," she said, referring to the Hawaii Democrat, who heads the Appropriations Committee. (Glenn Kessler, "A Team Player Who Stands Apart," *Washington Post*, September 20, 2009, p. A-1)

2/19/09

When SecState Clinton warned today that a succession battle in North Korea could complicate nuclear negotiations with that country's government, she broke an informal taboo. Diplomats do not talk publicly about what comes after Kim Jong-il, the convalescing dictator who turned his isolated country into a nuclear rogue state. Clinton, on her first trip as secretary of state, broached the topic with reporters on her plane, and then answered two questions. "If there is a succession, even if it's a peaceful succession," she said, "that creates more uncertainty, and it may also encourage behaviors that are even more provocative, as a way to consolidate power within the

society." The question is whether Mrs. Clinton made a beginner's error that could upset other players in the negotiations, like China. Or whether she showed refreshing candor – the kind of approach that could shake loose what has been a diplomatic quagmire for the last eight years. (Mark Landler, "Breaking Taboo, Clinton Talks about Prospect of North Korean Succession Question," *New York Times*, February 20, 2009, p. A-11)

2/19-20/09 The six-party third working group meeting on the Northeast Asia peace and security mechanism is to explore detailed ways to bring lasting peace to the region. Russia has already presented a second draft of guiding principles, organizers said. "A draft of the guiding principles of peace was drawn up as the first step in forming this mechanism. It was dispatched to all the participants in the 'sextet,'" Grigory Loginov, the ambassador at large at the Russian Foreign Ministry, told Russia's news agency, Itar-Tass. South Korea is represented by Hur Chul, director general of MOFAT's Korean Peninsula peace regime bureau. (Yonhap, "Six-Way Meeting on Peace Regime Opens in Moscow," February 19, 2009) A nuclear-free Korean Peninsula is key to peace and stability in North East Asia, on which all regional players involved in nuclear disarmament talks reached full agreement, the South Korean representative said on February 22. "The North also refrained from making overt criticism of Seoul's current North Korean policies, which could have made the talks difficult," said Huh. (Yonhap, "Six-Party Members Agree N. Korea Must Surrender Nukes: Official," February 22, 2009)

2/?/09 SecDef Gates: "Admiral Tim Keating, commander of all U.S. forces in the Pacific, told a press conference about U.S. capabilities to shoot down North Korea's Taepo Dong-2 missile and that a prospective launch would be a 'stern test' of the new administration. The president was furious at what he called 'freelancing' as well as the admiral's presumption in appearing to judge the president. In his view, Keating's remarks created serious problems for the administration: if the president ordered the missile shot down, Keating had telegraphed our punch and made non-attribution difficult to sustain; if the president decided not to act, people would wonder why. Mullen and I asked the president if he wanted Keating relieved. Obama said no, that everyone deserved a second chance, but he told me to call Keating and reprimand him. Keating flew from Hawaii to Washington for a ten-minute meeting with me. I told him of the president's unhappiness but that we all wanted him to stay - and to learn from the experience." (Gates, *Duty*, p. 339)

2/20/09 SecState Clinton in Seoul: "We firmly believe that North Korea must live up to the commitments it made in the 2006 Joint Statement and other agreements. North Korea is not going to get a different relationship with the United States while insulting and refusing dialogue with the Republic of Korea. Achieving these goals will take hard work and strong leadership. Assistant Secretary Chris Hill, who has served as our chief negotiator in the Six-Party Talks, is here with me today, and he supplied a great deal of dedication in the years that he served in this position. And he has graciously agreed to continue serving our country by moving on to another challenging assignment. **So I am pleased to announce, after consulting with our partners in the Six-Party Talks, the appointment of Ambassador Stephen Bosworth as Special Representative for**



**North Korea Policy. ...Ambassador Bosworth will be our senior official handling North Korea issues, reporting to me as well as to President Obama.**

And while President Obama obviously cannot be with us here today, I know that this appointment is of great importance to him. ...As our senior official handling North Korean issues, he will serve as our senior emissary for U.S. engagement with North Korea in close consultation. Special Envoy for the Six-Party Talks, Ambassador Sung Kim, will work closely with Ambassador Bosworth and continue to lead our day-to-day efforts, including maintaining constant contact with our allies and the Six-Party partners. ... **Q:**

First, my question goes to Mr. Yu. The North is showing movement to test-launch its missiles. Have there been discussions between the U.S. and Korea to - against this issue? If there have been, what have you discussed? I'll also give a second question to Secretary Clinton. Do you think that the test missile issue should be included on the Six-Party Talks? **YU:** Yes, regarding the long-term missile issue, because North Korea is developing nuclear weapons, we do have some concerns. And regarding this, the U.S.

and Korea have decided to work together based upon our coordination, also work with other related countries. **If North Korea should launch a missile, even if it is a satellite, we think that this is a clear breach of UN Security Council Resolution 1718.**

**CLINTON:** We are aware of press reports that North Korea may be preparing to conduct a missile test. We don't comment on intelligence matters, but it is clear that under the United Nations Security Council Resolution 1718, North Korea is required to suspend all activities related to its ballistic missile program. The North should refrain from violating this resolution and also from any and all provocative actions that could harm the Six-Party Talks and aggravate tensions in the region. As we work together with our partners in the Six-Party process, we will be discussing what ways we can best approach North Korea so that we present a united front with respect to all of the issues that are of concern. But the most immediate issue is to continue the disablement of their nuclear facilities and to get a complete and verifiable agreement as to the end of their nuclear program. **Q:** Yes. Minister Yu, Secretary Clinton spoke candidly yesterday about growing concerns that a succession crisis in the North will cause new difficulties in dealing with Pyongyang. I wonder if you share that view. And Secretary Clinton, do you have any concern now that the topic that you candidly raised yesterday might provoke a negative reaction from the North? **YU:** Regarding Korean relations and the North Korean issue, I'd like to say that this is one of the top priorities that we have between Korea and the U.S., and we have much interest in this. Therefore, we have our eye on the situation. **Q:** My question is to Secretary Clinton. First of all, regarding the assistance to Afghanistan, do you wish that Korea would join board to provide military assistance, or do you think it's enough that Korea can take part on civilian (inaudible) by expanding maybe police forces? Also, yesterday you voiced your concerns over the succession crisis in North Korea. Do you have any - is there any particular intention behind that kind of expression of concern at this kind of time, and do you have any concerns regarding his health - that is, Kim Jong-il? **CLINTON:** With respect to Afghanistan, we know that the Korean Government understands the importance of stabilizing and reconstructing Afghanistan - that we all have a vital interest in bringing peace to that region. And we're very pleased that the ROK and Japan together have announced some joint projects as well as the Korean Government's commitment to police training and other important work. We will continue to consult with the Korean Government as we go forward with our policy review. With respect to your second

question, there is a broad range of issues, as Minister Yu said, that we are always following. **But it is clear as we meet here today we are dealing with the government that exists right now. And we intend to reach out together with our partners in the Six-Party Talks to engage that government and to look for ways that we can bring them back into discussion through the Six-Party process.** So it's very clear that, as Minister Yu said, when you are thinking about the future dealings with a government that doesn't have any clear succession - they don't have a vice president, they don't have a prime minister - that it is something you have to think about. But for the purposes of what we are planning today, it is to deal with the government that exists, the leadership that exists, and to look for ways to involve them in the Six-Party Talks once again. **Q:** Madame Secretary, I'm going to repeat Paul's question. Do you have any concerns your candid discussion yesterday about a possible succession situation in North Korea might provoke an additional response from the North Korean Government? **CLINTON:** No, I do not, because I think that all one has to do is read the press. **The open press is filled with such conversations. This is not some kind of a classified matter that is not being discussed in many circles. But for me, as we look at planning and contingency planning, we are taking everything into account. But we deal with the government that's in place right now,** and that government is being asked to re-engage with the Six-Party Talks to fulfill the obligations that they entered into, and we expect them to do so. And at the same time, we are calling on the Government of North Korea to refrain from the kind of provocative and unhelpful war of words that it has been engaged in because that is not very fruitful. So clearly, we are looking to the existing leadership to be responsive to our desire to have them engage with the Six-Party Talks again. (DoS, Secretary of State Clinton, Remarks with South Korean Foreign Minister Yu, February 20, 2009)

Clinton in an interview with Fox News in Seoul, said she's certain the regime in North Korea would try to produce enriched uranium if it could to further its "nuclear ambition," but that the U.S. does not have solid evidence that any program exists or ever existed. "I don't have any doubt that they would try whatever they possibly could. Have they? I don't know that, and nobody else does, either," Clinton said. **"Clearly, there was some reason to believe that something having to do with highly enriched uranium -- whether it was happening in North Korea, whether it had been imported into North Korea -- was part of the information derived once we got inspectors into North Korea," she said. Clinton said nobody can point to "any specific location" or "any specific outcome of whatever might have gone on, if anything did."** (Fox News, "Clinton: Nopbody Knows Whether North Korea Had Uranium Program," February 20, 2009) "[South] Korea's achievement of democracy and prosperity stands in stark contrast to the tyranny and poverty across the border to the North." (Jack Kim and Arshad Mohammed, "U.S. Tells North to End Insults, Return to Talks," Reuters, February 20, 2009)

Clinton: **Q:** "Could I just ask you quickly on Bosworth, who you just announced today. And because you talked about succession, and there were questions today - he was just in North Korea. And I understand he actually brought you and your colleagues and his friends a grim picture of what is happening in North Korea in terms of leadership, in terms of who's in charge, who's determining policy, who's trying to prove himself more

Catholic than the Pope, because it's that time; it's a period of transition, perhaps. Did that affect your thinking when you talked about the succession crisis? How is that going to affect your policy making when you get to it? **CLINTON:** Well, I have to confess that I'm somewhat fascinated by the concern that several of you have evidenced about succession, which to me is like the most obvious issue. It's been in the news for months. And I don't think that it's a forbidden subject to talk about succession in the hermit kingdom. In fact, it seems to me it's got to be factored into any policy review that one is undertaking. It's a fact. When you have a government like that that is so personality-centric, you deal with the hand you're dealt, which is the government that is there and the leader that is in charge, but you have to be thinking down the road about when and where. So obviously it's a factor, but I don't see that as news. I think it would be irresponsible for it not to be factored into what you were thinking about. It doesn't change the fact that you deal with Kim Jong-il now and for as long as he's the man who is calling the shots, and that's what we're doing. And I think Ambassador Bosworth is incredibly well suited for the work that lies ahead. **Q:** Do you think he's calling the shots? **CLINTON:** I have no idea. **Q:** Can I just follow up on that? **CLINTON:** I mean, we have to assume that he is because that's who we deal with. ... **Q:** So much of what you've been saying across the region is openness, dialogue, and soft power. But it seems like wherever we go, whether it's North Korea, Myanmar, and now even on China to some extent, that there just might not be a willingness on some of these regimes to talk to us. I mean, even Iran is - there's a real question. So looking ahead, how are you going to balance both your call for engagement, while at the same time facing the things that in the end might not want to engage on any level and could pose a real security threat? **CLINTON:** Great question. I mean, first of all, I think we change the presumption. The President and I, as he eloquently said, are willing to extend a hand if you unclench your fist. **Not everybody will unclench their fist. But the message of our extended hand has impact.** And so to, in effect, reverse the presumption that the United States won't talk to you because we consider you X, Y or Z, as opposed to United States will consider talking to you in return for you taking certain actions that can lead to some kind of meaningful (inaudible). **So when regimes decide that they don't want to unclench their fist, I think that puts us in a stronger position internationally.** I used to say during the campaign that engaging with Iran in an appropriate way had three benefits. Number one, we might actually learn something, because there is a certain opaqueness to the decision-making within the Iranian regime. So actually being in some way involved with them could inform our own understanding of how best to continue whatever policy toward them we chose. **Secondly, something positive might actually happen. You never know. But if you stand at opposite sides of the room and refuse to engage, it's guaranteed nothing will happen. So is it worth trying?** Well, I think that is certainly possible. **But thirdly, it's important to be seen as the United States who carries a greater moral burden than most other countries because of who we are and what we stand for, that we are willing to reach out. So that if we do face these security threats, we have a more understanding international community that'll say, well the Obama Administration was at least trying, unlike others who said no, we're never going to talk to these people. And I think all of that added together can change the environment. Now, does it change it a little or does it change it a lot? We don't know. We're just beginning. I think that it is also clear that some of our**

**willingness to even talk like this has upended the calculation of some of these regimes.** A lot of international diplomacy is a head game. And part of what we're trying to do is to say okay, let's figure out how we can have some kind of engagement. All of a sudden, you see this panic on the faces of some of these regimes, like oh my gosh, we can't afford to do that. Look, they might actually score points with our public, or they might in some way divide the united front that we have put out. So this is - this is a work in progress, but I think it's a more effective approach than adopting this kind of hands-off, name-calling, under-no-circumstances attitude. We talked to the Soviet Union during the entire Cold War. I mean, I was of the generation where I was doing duck-and-cover drills to protect myself from a nuclear attack. And yet we always kept talking to them. I mean, they threatened to bury us, they insulted our leaders, they took shoes off and hit desks. We never stopped talking to them. And I don't think that was a sign of weakness. I think that was a sign of strength. And it was also a signal to likeminded people that we were not afraid of the threat that they posed. " (DoS, Roundtable with Traveling Press, Seoul, February 21, 2009) **"Not everybody will unclench their fist," she told reporters in South Korea, "but the message of our extended hand has an impact. When regimes decide that they don't want to unclench their fist, I think that puts us in a stronger position. A lot of international diplomacy is a head game."** (Mark Landler, "Iran Policy Now More in Sync with Clinton's Views," *New York Times*, February 17, 2010, p. A-7)

SecSt Clinton in Seoul: "This is not some kind of classified matter that is not being discussed in many circles... When you are thinking about the future dealings with a government that doesn't have any clear succession — they (the North Koreans) don't have a vice president, they don't have a prime minister — then it is something you have to think about," she said in a joint press conference following talks with Minister of Foreign Affairs and Trade Yu Myung-hwan in Seoul. "For me, as we look at planning and contingency planning, we are taking everything into account," she said. **"But we are dealing with the government that exists right now.** That government is being asked to reengage with the six-party talks to fulfill the obligations they agreed to. We expect them to do so," the secretary said. **"If there is a succession, even if it's a peaceful succession," she said, "that creates more uncertainty, and it may also encourage behaviors that are even more provocative, as a way to consolidate power within the society."** (Kim Sue-young, "Clinton Downplays N. Korean Succession Crisis," *Korea Times*, February 20, 2009)

South Korea will sternly respond to any preemptive attack by North Korea along the disputed maritime border in the Yellow Sea, Seoul's defense chief said today. "We will clearly respond to any preemptive artillery or missile attack by North Korea," Defense Minister Lee Sang-hee said at a parliamentary hearing, vowing to strike the military installations from where the attacks originate. "We will take preventive measures if a missile attack were launched by the enemy, and the (North Korean) locations where a missile launch originates must be hit." Lee, however, said the authorities would not allow a military response to escalate into an all-out war. "We will counter (a Northern military offensive) with an equal amount of force in the shortest period of time to prevent a full-blown war," Lee explained. (Yonhap, "S. Korea to Strike Back If N. Korea Provokes Armed Clash: Defense Minister," February 20, 2009)

Clinton: "I wanted to make it clear that we are prepared to deal with this government. And I guess the preconditions we have are not in relation to my visiting. That's not something we're even contemplating. The preconditions are as to whether or not we can have a better relationship with North Korea. And **we've made that very clear, that if the North Koreans completely and verifiably eliminate their nuclear weapons program, then we would consider normalizing our relations with them, seeking to sign a peace treaty in place of the armistice, and working with South Korea and other nations to offer aid, such as energy aid and economic aid.**" (DoS, Secretary of State Hillary Clinton, roundtable with Korean Journalists, Seoul, February 20, 2009)

2/22/09

North Korea has rejected a proposed trip by UN Undersecretary General for Political Affairs Lynn Pascoe to Pyongyang next month. "Saying it is not an appropriate time, North Korea has virtually rejected the offer," reported Yonhap, quoting an unnamed U.S. diplomatic source. (AFP, N. Korea Rejects U.N. Envoy's Visit: Report," February 22, 2009)

SecState Clinton and FM Yang in Beijing: Yang: "Both the Secretary and I stated that we attached great importance to China-U.S. relations, and cherish the sincere desire to actively promote China-U.S. relations. China believes that, at a time when the international situation continues to undergo complex and profound changes, China and the United States, as the world's biggest developing country and biggest developed country, have broad, common interests and important common responsibilities on major issues that concern peace and development of mankind.... The two sides believed that China and the United States should continue to strengthen dialogues on strategic, overarching, and long-term issues of mutual interest in political, diplomatic, and economic fields. The two sides reached agreement, in principle, on the establishment of the China-U.S. strategic and economic dialogues mechanism, and will engage in further consultations to make detailed arrangement for the mechanism. ... The two sides discussed the ongoing international financial crisis and agreed that, as the crisis is still unfolding and spreading, China and the United States should enhance coordination on macro- economic, and financial policies, jointly work for positive outcomes at the G-20 London financial summit, and reject trade and investment protectionism." Clinton: "The foreign minister and I had a wide-ranging discussion that started from a simple premise: it is essential that the United States and China have a positive, cooperative relationship. Both of us are seeking ways to deepen and broaden that relationship, so we discussed matters of bilateral concern. But we also spent a great deal of time on the array of global problems that China and the United States face together, and that we can work together to solve." (DoS, Secretary of State Clinton Remarks with Chinese Foreign Minister Yang Jiechi, Beijing, February 21, 2009)

2/23/09

*Chosun Sinbo*: "When talk of the new US regime appointing a special envoy on the DPRK emerged, Japan and South Korea, which did not want to see rapid progress in DPRK-US relations, showed signs of disapproval toward the idea of a special envoy's 'early visit to Pyongyang.' Former Ambassador Bosworth is someone who already

visited Pyongyang in early February as a member of a private delegation. He met Foreign Ministry and Korean People's Army officials and held dialogue. Perhaps, there was a reason that made it necessary for Secretary Clinton to personally explain what led to the appointment of the special envoy and to make an official announcement during her visit to Tokyo and Seoul. Meanwhile, the conference in Seoul may have been a stage prop aimed at yet another effect. Secretary Clinton said 'strong leadership' was needed for diplomacy with the DPRK and that special envoy Bosworth "will report not only to me but also to President Obama" on his activities. By that, she emphasized the special envoy's role transcending working-level responsibilities and his high-ranking status. The special envoy appointment was announced in Seoul, but the one the White House wants to hear from the most is in Pyongyang. ... There have been sporadic reports from news media in different countries on what the secretary of state said during her foreign trip, and what drew attention on this occasion was her mention about 'Bush's mistake.' Secretary Clinton stated her stance for engaging in the Six-Party Talks and direct dialogue with the DPRK simultaneously, carrying forward the policy the Bush regime chose for the last time, but she also criticized that the previous regime should not have discarded the 1994 Geneva agreement under the excuse of 'uranium enrichment suspicions.' She indicated her understanding that 'because everything fell apart, North Korea now has the nuclear weapons it did not have before.' It is probably not the personal thoughts of Secretary Clinton, who was the First Lady at the time of the Geneva agreement. But it is clear that the first Democratic regime in eight years is considering 'a DPRK possessing nuclear weapons' as a premise of its foreign policy development. ... The 'smile diplomacy' in Tokyo and Seoul should be the new regime's way of laying the groundwork for making a full-scale push for diplomacy with the DPRK. However, there has been only smooth diplomatic talk from an all-around player in the absence of real action. It also remains unknown what reaction the secretary of state's indirect message to Pyongyang will bring. The reason is that the DPRK will more likely act in response to reality than in response to diplomatic rhetoric. During her trip, Secretary Clinton appealed to the DPRK to 'restrain' from 'provocative actions and remarks,' going out of her way to mention the so-called 'long-range missile launch' issue. It was a rhetorical tactic turning a blind eye to the reality of DPRK-US relations in a state of war and increasingly rising US military pressure targeting the DPRK. In March [2009], a joint military exercise will also be held by the US and South Korean military. It will be an intensive expression of hostile policy toward the DPRK. Currently, a difficult situation with zero visibility is taking hold in the Korean peninsula. A provocation by the hard-line elements in South Korea getting in step with the bellicose forces in the United States is another variable. The DPRK's suspicion toward the two-faced tactics of the United States giving sweet-talk on one hand and acting differently on the other hand runs deep. (Chi-yo'ng, "Secretary Clinton's 'Indirect Appeal' to Pyongyang," *Chosun Sinbo*, February 23, 2009)

2/24/09

Korean Committee of Space Technology spokesman: "The DPRK has steadily pushed ahead with researches and development for putting satellites into orbit by its own efforts and technology since the 1980s, pursuant to its government's policy for the development of space and its peaceful use. In this course, scientists and technicians of the DPRK registered such great success as putting its first experimental satellite Kwangmyongsong-1 into orbit at one try in August 1998. ... The preparations for

launching experimental communications satellite Kwangmyongsong-2 by means of delivery rocket Unha-2 are now making brisk headway at Tonghae Satellite Launching Ground in Hwadae County, North Hamgyong Province. When this satellite launch proves successful, the nation's space science and technology will make another giant stride forward in building an economic power. (KCNA, "Preparations for Launch of Communications Satellite in Full Gear," February 24, 2009)

By announcing that it is preparing to launch a "communications satellite," North Korea today dressed up its planned test of a long-range ballistic missile -- which might be able to reach Alaska -- as a benign research project. "Outer space is an asset common to mankind, and its use for peaceful purposes has become a global trend," said a spokesman for the North Korean Committee of Space Technology. (Blaine Harden, "North Korea Says It Is Preparing Satellite Launch," *Washington Post*, February 24, 2009)

President Barack Obama and Japanese PM Aso Taro agreed that North Korea should not do anything provocative, amid signs it is preparing a missile launch, an official said. Aso, who was the first foreign leader to visit the Obama White House, said the two leaders shared concerns over moves by Pyongyang, although he did not elaborate on their exchange. "Regarding the missile issue, we discussed how the initial reactions are important. **After a missile is launched, we discussed that what is important is how other foreign nations would act,**" Aso told reporters after the summit. A senior Japanese official who attended the White House talks said the two leaders did not want North Korea to act provocatively. Pyongyang said today it was readying to launch a satellite, a move that the United States and its allies believe could actually be a long-range missile test. "In light of North Korea's announcement that it was preparing to launch a satellite on a rocket, the two leaders agreed that North Korea should not take actions that may increase tension," the Japanese official said. A White House statement also said the leaders agreed to work together "to verifiably eliminate North Korea's nuclear program and to deal with the problem of North Korea's missiles." The State Department repeated its warnings to Pyongyang against any missile launch, recalling such an act was banned under UN resolutions. "Our view is that the North needs to spend its time working on and focusing on denuclearization," said State Department spokesman Robert Wood. "As you know, UN Security Council Resolution 1718 prohibits the North from engaging in ballistic missile-related activities. And whether it's a space-launch vehicle or a missile, some of the building blocks for developing a space-launch vehicle and for producing long-range missiles are similar," he said. He added: "Intimidation and threats are not helpful to try to bring about regional stability. So the North needs to desist from that type of behavior." (AFP, "Obama, Aso Seek Restraint from North Korea," February 25, 2009)

PM Aso Taro: "Do you think North Korea policy will change under the new U.S. administration? I must say, the six-party talks in approaching North Korea are a useful framework. Previously, we always had a close relationship between the United States and Japan on this issue, but, increasingly, we see South Korea, under the Lee [Myung-bak] administration, coming toward our side, the U.S.-Japan side, on this issue. It used to be four to two, but now it is at least three to three. That has changed a lot. Moreover,

the fact that Secretary [Hillary] Clinton has explicitly talked about the importance of having verifiable inspections on the nuclear issue, that is very important. In the latter days of the Bush administration, I believe there was a tendency to engage in discussions putting the issue of verifiable inspections in a bit of vague wording. In that sense, the fact that Secretary Clinton was quite explicit about the verification inspection aspect is quite welcome. *If they don't allow verifiable inspections, should they be put back on the list of terrorism sponsors?* If you look from the North Korean perspective, I believe there's a sense on their side that the reason they're able to talk with the U.S. is that they have the nuclear issue, and that if they didn't have that, they'd only be a simple, poor nation. I think we have to keep that in mind. Of course, I don't think North Korea will easily decide [to] abandon its nuclear capabilities, but . . . with the world economy becoming more difficult, I believe the cards on hand for North Korea are becoming more restrained and more restricted. . . . It's maybe difficult to move too urgently, and, in terms of North Korea, it's probably more difficult for all the players to move. *What should happen if they launch a long-range missile?* It would be important for the U.N. Security Council to take the issue on the agenda immediately." (Aso, Interview, *Washington Post*, "Japan's Taro Aso in Washington," February 25, 2009)

Syria has built a missile facility on the ruins of a possible nuclear reactor that Israeli warplanes bombed in 2007, European diplomats quoted a Syrian official as saying Tuesday. Ibrahim Othman, Syria's nuclear chief, told a closed technical meeting of the International Atomic Energy Agency in Vienna about the missile facility, officials said. "He made a reference to a missile, one missile," said a European diplomat, who spoke on the condition of anonymity under usual diplomatic protocol. (William J. Broad, "Syria Discloses Missile Facility, Europeans Say," *New York Times*, February 25, 2009, p. A-6)

CRS: "Evidence suggests that North Korea has had extensive dealings with Iran, Pakistan, Russia, Syria, Yemen, and Libya on ballistic missiles and possibly even nuclear warheads. One particular concern is that Chinese warhead designs, sold to Libya by Pakistani nuclear scientist Dr. A.Q. Khan, might also be in the hands of North Korea, which could help accelerate its efforts to develop long-ranged nuclear ballistic missiles. Some suggest that North Korea's access to these countries' missile and WMD technologies might enable North Korea to advance its long-range nuclear ballistic missile program at a more accelerated rate without having to conduct extensive testing, particularly if they use proven missile designs from other countries. Various reports indicate that North Korea may be developing and deploying at least two new medium to intermediate-range ballistic missile systems. The Japanese Defense Ministry reportedly believes North Korea has about 200 Nodong medium-range missiles.<sup>31</sup> It is not

publicly known if North Korea is continuing development of a reported new version of its Taepo Dong ballistic missile,<sup>32</sup> the so-called Taepo Dong X, which might achieve intercontinental ranges. The two new medium to intermediate-range missiles are believed to be based on the decommissioned Soviet R-2733 submarine launched ballistic missile.

The R-27, which was allegedly acquired from Russia in the 1990s and possibly enhanced with the help of Russian missile specialists, has been called an "excellent



choice" on which to base a new missile system. Its 40 year-old, liquid-fueled technology is considered within the technological and industrial capabilities of North Korea and versions of its engines are already used in North Korean SCUDs and No Dongs. Perhaps the greatest advantage of this system, according to some observers, is that the R-27 is a proven design meaning that North Korea may be able to develop and deploy these missiles without having to conduct extensive ground and flight tests. In February 2009, South Korea's Defense Ministry reported that North Korea had deployed a new

type of medium-range ballistic with a range estimated at 1,800 miles. This missile is believed to be the same type seen at a military parade in North Korea in 2007. Additional details, such as the name of this missile and how many are deployed have not yet been made public. The land-based version called Musadan or No Dong B is a medium to intermediate-range ballistic missile with an estimated range of 2,500-3,200 km. The North Korean version of this missile is 12 m long—2.4m longer than the R-27—and, although smaller than the No Dong and Taepo Dong 1, it has a greater range than these two missiles. This could put most of East Asia within its range, including U.S. military bases at Guam and Okinawa, although experts point out that the North Korean No Dong 2 missile could also reach Japan and Okinawa. Initial prototypes of the land-based version were reportedly first identified in 2000, and pre-production models and a new

transporter-erector-launcher (TEL) were believed to have been completed by mid-2003. The Musadan has not been flight-tested. Although some remain uncertain whether it is deployed, others report that perhaps 15-20 Musadan have been deployed without apparent testing. The North Koreans reportedly began constructing two new missile bases to accommodate the Musadan/No Dong B. One base is near Yangdok-gun and the other is at Sangnam-ni, previously reported as a No Dong and Taepo Dong base. North Korea reportedly constructed administrative and maintenance facilities at these two sites as well as fortified underground tunnels for storing the missiles and TELs. In September 1993, the Korean People's Navy (KPN) reportedly purchased 12 decommissioned Russian Foxtrot class and Golf-II class submarines for scrap metal from a Japanese company. The Golf-IIs, which are capable of carrying three SS-N-5 SLBMs, did not have their missiles or electronic firing systems when they were sold to the North Koreans, but they did allegedly retain significant missile launch sub-systems including launch tubes and stabilization systems. Some analysts believe that this technology, in conjunction with the R-27's well-understood design, gives North Korea the capability to develop either a submarine or ship-mounted ballistic missile. Many experts postulate that North Korea does not have the capability to develop a new SLBM on its own and that none of North Korea's other ballistic missiles are easily convertible to SLBMs. North Korea apparently integrated the Golf-IIs missile stabilization and launch technology into a new class of conventionally powered ballistic missile submarines, possibly modified versions of Golf-IIs or Romeo class Russian submarines. It is also possible, according to some observers, that North Korea might attempt to incorporate this launch technology into a merchant ship. It is not known if North Korea has sold or will sell this new system to other countries. Some analysts suggest that Iran might be an ideal candidate for such a system, as it has allegedly researched a sea-based ballistic missile capability in the past." (Steven A.

Hildreth, *North Korean Ballistic Missile Threat to the United States*, Congressional Research Service, RS21473, February 24, 2009)

2/25/09

Gen. Patrick O'Reilly, director of the Missile Defense Agency of the U.S. Department of Defense, was quoted by Yonhap as telling a Congressional hearing, "Based on the scenarios that we've tested three times, although it's limited and it's in the beginning, those scenarios overlay a launch from North Korea and a response out of Alaska. And so we have tested three times that scenario first, for obvious reasons. And that is the source of my confidence," in response to a question about whether the U.S. missile defense system could defend the American people from the current North Korean threat. Concerns have lingered over the viability of the U.S. missile defense system, although the Pentagon has said it successfully conducted tests last year to intercept missiles approaching from other countries. "Second of all, our firing doctrine is that we have a significant number of missiles, so we can put a significant number of missiles in the air at once," he continued. "And that each time significantly increases the overall probability that you are going to be successful." His remarks came after U.S. Defense Secretary Robert Gates hinted last week that the U.S. might intercept a Taepodong-2 ballistic missile should one approach American territory. (Jung Sung-ki, "U.S. Ready to Intercept N.K. Missile," *Korea Times*, February 26, 2009)

The U.S. State Department labeled the human rights record in North Korea abysmal, saying that it will address the issue in future negotiations with the Stalinist country. But it did not call the North one of the worst human rights violators. Last year, the U.S. government singled out North Korea and nine other countries including Myanmar, Iran and Syria as the 10 worst human rights offenders in the 2007 State Department Country Reports on Human Rights Practices. Although this time the United States did not name the North among the worst, the State Department hinted that there is continuity in its perception of human rights conditions in the North. "North Korea certainly falls in that category that I discussed in the general trends of a country where you have a very authoritarian leadership and human rights, I have to say, are really, when you look at the whole situation and read the report for North Korea, abysmal, in that case," said Karen Stewart, acting assistant secretary for democracy, human rights and labor, in a press briefing on the 2008 report. (Kang Hyun-kyung, "U.S. Calls Human Rights Condition in N. Korea 'Abysmal,'" *Korea Times*, February 26, 2009)

2/?/09

There is little evidence to suggest that the North Korean government systematically transports WMD by its own merchant fleet. The North Korean aging flagged fleet is not largely privately owned and highly fragmented, not state-owned. Port inspections is a better way to curb shipments. (Hazel Smith, "North Korean Shipping: A Potential for WMD Proliferation? Asia-Pacific Issues, East-West Center No. 87 (February 2008)

2/26/09

President Obama met with Ambassador Stephen Bosworth, the newly appointed Special Representative for North Korea Policy.

Bosworth: **Q.** "You were recently in North Korea. Can you talk to us about any conclusions you have from meeting North Korean officials about the willingness to engage with Washington, as Secretary Clinton has expressed on her trip, and - or

whether you think they may be consumed with their own issues, like the succession that Secretary Clinton also talked about? And do you plan to meet any North Korean officials on your trip? Have you reached out to them, since you've been (inaudible)? Tell us about how you plan to engage with North Korea. **BOSWORTH:** Well, obviously, we plan to engage with North Korea. The question as to whether we're going to engage with them on this particular trip remains to be decided. That will depend upon our consultations in the region, and it will depend upon what we hear back from the North Koreans. I was there earlier this month as a member of a private delegation. At that point, I had no idea I was going to be returning so soon, nor indeed in this particular role. I found the North Koreans, I thought, quite inclined toward continued dialogue with the United States and a continued commitment with the people of the region and the Six-Party process. Now obviously, I was not there speaking for the United States. I was not there as an official representative. But in my judgment, they see the benefits to them of engagement with the outside world and are prepared to move ahead. Now, as we all know, this is a very complex issue, and a lot depends upon their internal assessment of our intentions, the intentions of their neighbors. So I would stop by saying, yes, I think they are inclined to continue the process of dialogue that Ambassador Hill and his colleagues have begun." (DoS, Secretary of State Clinton News Conference with Special Envoy Stephen Bosworth, February 26, 2009)

Acting DoS spokesman Robert Wood: **Q:** "Just on the North Korean potential missile launch, Ambassador Chris Hill said yesterday that the activity, while the North Koreans claim it's a satellite launch, it sure looks like a missile launch. He said that would be in violation of UN Security Council Resolution 1718 and other possible resolutions. Do you know what those other possible resolutions you were referring to were? And can you say for sure if a satellite launch would violate 1718? **WOOD:** I'll take the second part of your question first. It certainly would, as Chris said. It certainly would violate 1718, which, as I've said many times, you know, prohibits the North from engaging in ballistic missile related activity. With regard to other resolutions, I didn't see, you know, Chris's comments. We'd have to look into it a little bit more carefully and see which ones he's referring to. I'm happy to follow up on that for you." (DoS, Daily Briefing, February 26, 2009)

2/?/09 North Korea asked Chinese Vice FM Wu Dawei for the provision of light-water reactors to the country as a condition for accepting a comprehensive verification procedure over its nuclear activities, sources close to the six-party denuclearization talks said March 19. (Kyodo, "N. Korea Seeks Light-Water Reactors in Exchange for Nuke Verification," March 19, 2009)

2/27/09 North Korea appears to have stopped state-sponsored drug trafficking, but continues to counterfeit brand cigarettes and remains a large source of phony U.S. currency, the State Department said today. "Drug trafficking with a connection to the Democratic People's Republic of Korea (or North Korea) appears to be down sharply," the department said in the 2009 International Narcotics Control Strategy Report. The report cited "no instances of drug trafficking suggestive of state-directed trafficking for six years, but there still is insufficient evidence to say for certain that state-sponsored trafficking has stopped at this time." North Korea, however, continued to release

counterfeit cigarettes, the report said. "The continuing large-scale traffic in counterfeit cigarettes from DPRK territory suggests that enforcement against notorious organized criminality is lax," it said. "It is also possible that a lucrative counterfeit cigarette trade has replaced a riskier drug trafficking business as a generator of revenue for the DPRK state." (Hwang Doo-hyong, "N. Korea Seems to Have Stopped State-Sponsored Drug-Trafficking: State Dept." Yonhap, February 28, 2009)

2/28/09

After separate talks with his counterpart, Yang Jiechi, Premier Wen Jiabao and State Councilor Dai Bingguo, FM Nakasone Hirofumi said March 1 he agreed with them to urge North Korea not to launch what it says is a satellite but others suspect is a long-range ballistic missile. "Tension is rising greatly, and there are worries," Nakasone told reporters at a Beijing hotel. "We agreed to seek (North Korea's) restraint." Nakasone said he told the Chinese officials Japan believes that a launch of the object would be in violation of a U.N. Security Council resolution adopted in 2006 that prohibits North Korea from engaging in any ballistic missile activities. "Even if North Korea says that it is a satellite, if it launches it ...it is clearly in violation of the U.N. Security Council resolution," he said. When asked whether China agreed with that notion, Nakasone said, **"The Chinese did not say whether they see it that way or not,** but of course they have deep concerns and have been working to urge restraint," Nakasone said. "We will continue urging North Korea not to go ahead with the launch," he said. On bilateral relations, Nakasone said the two sides agreed not to let differences over the disputed isles in the East China Sea spill over into overall relations. "Both sides are of the view that we should not let these issues cast a shadow on bilateral relations," he said. (Kyodo, "Japan's Nakasone Says Agreed with China to Urge N. Korean Restraint," March 1, 2009) FM Nakasone told reporters after his meeting with Chinese PM Wen Jiabao Wen, "Even if a satellite was launched or even if North Korea explains that (the missile) was a satellite, it would be a clear violation of the Security Council resolution and we strongly ask North Korea to exercise restraint." Wen did not make clear what the Chinese government's position would be in the event North Korea launched a satellite, government sources said. (Higashioka Toru, "Japan Warns North Korea on Satellite Launch," *Asahi Shimbun*, March 2, 2009)

3/2/09

North Korea voiced its routine criticism today against a planned South Korea-U.S. joint military exercise at the first high-level talks with the United Nations Command (UNC) in nearly seven years, a defense source said. The half-hour meeting at the inter-Korean truce village of Panmunjom ended without a tangible agreement on reducing border tension, the source added. "North Korea filed lengthy complaints against the plan to hold the Key Resolve and Foal Eagle exercise and the situation involving the U.S. military deployment on the Korean Peninsula," the source said after the general-level talks between the North and the UNC. (Lee Chi-dong, "N. Korea Uses Rare Military Talks to Condemn S. Korea-U.S. Drills," Yonhap, March 2, 2009) Senior North Korean military officials demanded today that the U.S. and South Korea call off their annual military drill involving tens of thousands of troops, warning the exercise would exacerbate tensions on the Korean peninsula, according to a news report. South Korea's Yonhap news agency said the North made the demand during rare talks with the U.S.-led United Nations Command at the tense Korean border village of Panmunjom amid concerns over Pyongyang's alleged plan to test-fire a long-range

missile. Yonhap quoted an unnamed South Korean military official as saying the North warned the upcoming drill would "further stir up" tensions on the Korean peninsula. The report said the U.N. Command insisted that the exercise - involving 26,000 American troops, an unspecified number of South Korean soldiers and a U.S. aircraft carrier - is purely defensive and not preparation for an invasion as the North claims. Both the U.N. Command and the South Korean Defense Ministry said they couldn't confirm the report. The U.N. Command only said the sides discussed "measures to reduce tension and introduce transparency" and agreed to further meetings during a half-hour of talks. "The UNC welcomed this discussion with North Korea which holds the prospect for building trust and preventing misunderstanding between both sides," the statement quoted the command's chief delegate Maj. Gen. Johnny Weida as saying. (Hyung-jin Kim, "N. Korea: U.S. Must Cancel Military Drill with South," Associated Press, March 2, 2009)

Russian FM Sergey Lavrov told reporters that "[n]o one prohibits launching satellites, but a rocket that carries a satellite is another matter." He added, "[W]e must understand what kind of missile that is." Referencing Lavrov's comments, a Russian diplomat said to *Arms Control Today* March 17 that the council resolutions do not prohibit a launch "if it is designed only for delivering an object into orbit." (Peter Crail, "U.S., Allies Warn against N.K. Space Launch," *Arms Control Today*, April 2009)

South Korea on Monday appointed Wi Sung-lac, special advisor to Foreign Minister Yu Myung-hwan, as its new chief envoy on the North Korean nuclear issue, the ministry said. "We should not forget that North Korea conducted a nuclear test," he said. "But I think we can resolve the issue through negotiation." Wi served as minister for political affairs at the South Korean Embassy in Washington from 2004-2007 after leading the foreign ministry's North American Affairs Bureau from 2003-2004. He is known for his expertise on the U.S. and North Korean nuclear issues. "I have met Ambassador Bosworth (before), but it would be my first meeting (with him) in my new post," he said, refusing to predict whether the U.S. official will visit Pyongyang during his upcoming Asia tour. "As long as his visit to North Korea is helpful for progress in the denuclearization process, I am not opposed to it." (Li Chi-dong, "S. Korea Names Wi Sung-lac As New Nuclear Envoy," Yonhap, March 2, 2009)

DoS deputy acting spokesman Gordon Duguid: **Q:** "Do you have any details to confirm North Korea is preparing for a missile launch, or a satellite launch, as they say?" **DUGUID:** I have no other details than what we were saying last week, that any such launch would be a violation of existing UN Security Council resolutions and would increase tensions unnecessarily. We've asked that the North Koreans consider that and not increase tensions in the Korean Peninsula at this time. **Q:** The Japanese prime minister went further and said a launch would entail sanctions. Would you agree with him? **DUGUID:** The UN Security Council will decide what happens when their resolution is violated. We'll see what happens should there be a launch. **Q:** Same subject. As you're aware, North Korean generals met with the U.S.-led UN military command in South Korea for the first time in about seven years. **DUGUID:** Correct. **Q:** They, according to our reporting, essentially asked the UN, or the U.S. and South Korea, not to conduct exercises, saying that this was provocative and would increase

tensions in an already tense period. Do you see any - do you indeed intend to go forward with the exercises? And how did you regard the holding of the meeting itself? **DUGUID:** The general officers from the UN - sorry, the United Nations Command and North Korean People's Army did meet, and they were discussing issues of mutual trust and tension reduction. As you noted, these are the first talks in seven years, and both sides discussed measures to reduce tensions and introduced transparency into their discussions. We welcome this discussion with the North Koreans since this holds the prospect for building trust and preventing misunderstandings between both sides. But for any further details, we have to ask you to contact the UN Command in Seoul. I don't have any information that we've made a decision on the - or they have made a decision on the exercises." (DoS Daily Briefing, March 2, 2009)

3/3/09 Japan plans to deploy an Aegis-equipped destroyer carrying the Standard Missile-3 interceptor to the Sea of Japan to prepare for a possible North Korean missile launch in case it is aimed at Japan, defense sources said today. North Korea says it is preparing to launch a satellite but Japan's missile defense guideline provides that the defense minister may order an intercept when a rocket to launch a satellite is feared to fall onto Japanese soil or into Japanese territorial waters. "We would have no other choice but to intercept," said a senior Maritime Self-Defense Force officer, referring to a scenario in which a missile or a rocket is launched and judged headed for Japan. (Kyodo, "Japan to Deploy Interceptor in Sea of Japan to Counter N. Korea," March 3, 2009)

3/4/09 In a rare direct comment on the North Korean leader, President Lee Myung-bak today wished the North Korean leader well, saying his control of the communist nation is vital to maintaining peace on the Korean Peninsula for the time being. "It appears from Chairman Kim's recent activities that there are not any serious problems for him to continue ruling North Korea, and I think it is better to have a stabilized North Korean regime at this point in time for inter-Korean dialogue and cooperation," Lee said, referring to the North Korean leader by his formal title as chairman of the National Defense Commission. The remarks were made during an interview with *The Australian* in Seoul before Lee started his overseas trip. (Byun Duk-kun, "Lee Wishes N. Korean Leader 'Well,' Says He Is Needed for Peace," Yonhap, March 4, 2009)

**BOSWORTH:** "I've met with Wu Dawei, and I met with the Foreign Minister just now. I think there is a great convergence of views. We are very much committed to the notion that it is important to resume the six-party process as soon as possible. And we believe that the Six-Party process is central to all our efforts to deal with what is happening on the Korean Peninsula. So I'd be happy to take a couple of questions. **Q:** Ambassador, how was the discussion on the possible missile launch when you met with the Chinese? Have you and the Chinese come up with a consensus on how to respond if it actually happens? **BOSWORTH:** I really don't want to get into a question of how we might respond, since that is a hypothetical. What I would say is that we both believe that it would not be a good idea to have a missile launch. But beyond that, I really don't have much comment. **Q:** The U.S. delegation now, is there any noticeable change between the former administration and now this new team that's being put together? New policies? New approaches? **BOSWORTH:** Again, it is a little premature to talk about

the 'new' policy. I think we continue to have some very obvious goals here in Northeast Asia with regard to the Korean Peninsula. Most important of those in the immediate sense is that we remain very committed to the need for the denuclearization of the Korean Peninsula. That will not change. **Q:** Ambassador, is it your understanding that the Chinese and the Russians will oppose invoking UN sanctions if it is a satellite and not a missile? **BOSWORTH:** As you know, from the U.S. point of view, we don't see a distinction. But I really don't want to characterize the views of other countries, other than to say I think we all agreed that it would be far better not to see a launch." (Ambassador Stephen Bosworth, Special Representative for North Korea Policy, "Evening Walkthrough at Six-Party Talks," DoS, March 4, 2009)

3/5/09

North Korea said it cannot guarantee the safety of South Korean civilian airplanes passing through the North's territorial airspace during the U.S.-South Korea joint military exercise Key Resolve, which is scheduled for March 9-20. It did not, however, mention the safety of civilian airplanes from other countries. North and South Korea have allowed civilian airplanes to pass through their respective airspace since April 1998. During the 16th round of "general-level" military talks between the UNC and North Korea, held at the truce village of Panmunjom, the UNC expressed strong objections to a recent threat from Pyongyang, saying that it does nothing to ease tensions on the peninsula and also is inhumane. The North countered that a plan to go ahead with Key Resolve is the reason for the heightened tensions, and called for an immediate halt to the exercise. The Seoul government also issued a statement, joining the UNC in condemning Pyongyang's threat to passenger airplanes. "Making a military threat against the ordinary operation of civilian airplanes runs against international norms and is also inhumane." It called on the North to withdraw the threat immediately. (*Hankyore*, "N. Korea, S. Korea, U.N. Command Trade Blame for Rising Tensions on the Peninsula," March 7, 2009)

The DPRK-U.S. general-level talks were held in Panmunjom on March 2 and 6 at the proposal of the Korean People's Army side. Present at the talks were the delegation of the KPA side led by KPA Major General Kwak Chol Hui and the delegation of the U.S. forces side led by U.S. Air Force Major General Johnny Weida. At the first-day talks the head of the delegation of the KPA side roundly exposed the aggressive and dangerous nature of the Key Resolve and Foal Eagle joint military war exercises, large-scale DPRK-targeted saber rattling, to be staged by the U.S. forces side together with the south Korean puppets from March 9 to 20, citing the arms buildup and military exercises perpetrated by the U.S. forces side recently. ...He declared that the projected joint military exercises will pose increasing danger as they are timed to coincide with a spate of bellicose remarks let loose by the U.S. and the south Korean conservative forces as regards the projected launch of a satellite by the DPRK. He strongly urged the U.S. forces side to immediately cancel the plan for the exercises for a war of aggression. The U.S. forces side tried hard to cover up the aggressive nature and purpose of the exercises at any cost, insisting that they are 'annual ones' and aimed at 'defense.' That day the U.S. forces side said it would seriously examine the DPRK's request for the immediate suspension of the said exercises and in order to give an answer to it the former proposed resuming the general-level talks on March 6. At the talks on March 6, too, the U.S. forces side justified the exercises and charged that

the DPRK's preparations for the satellite launch for peaceful purposes and the action taken by it to disallow south Korean airliners flying in the air above the East Sea of Korea pose threats. The head of the delegation of the KPA side made it clear that the satellite launch is an independent right pertaining to a sovereign state under international law, adding that it was an entirely just measure for self-defense for protecting the security of the DPRK for it to have taken the above-said action at a time when the U.S. is putting military pressure upon it and posing threat to it after amassing aggression forces in the East Sea of Korea. He strongly warned the U.S. forces side that as long as it does not cancel the DPRK-targeted war exercises, the KPA will take strong countermeasures to cope with the policy taken by the new U.S. administration, judging that the U.S. hostile policy to bring down the DPRK by force of arms remains unchanged and in that case the U.S. forces side will be held fully accountable for all the ensuing consequences. (KCNA, "DPRK-U.S. General-Level Talks Held," March 6, 2009)

*Minju Chosun*: "The Japanese reactionaries busied themselves after inviting the U.S. secretary of State to Japan recently. They solicited the U.S. support and understanding of the "abduction issue" and asserted they expected its cooperation in settling the issue. ... The Japanese reactionaries are sadly mistaken if they calculate everything will be okay when they boost the relations with the U.S. and garner its support and cooperation. Everything in the world is not decided by the U.S. and the key to settling the issue of the DPRK-Japan relations, in particular, is not in the hands of the U.S." (KCNA, "Japanese Reactionaries' Disgusting Diplomacy Slammed," March 5, 2009)

Stephen Bosworth, U.S. special envoy for North Korea, met Chinese Foreign Minister Yang Jiechi in Beijing earlier in the day, deputy spokesman Gordon Duguid said in a daily news briefing. "They agreed on the importance of resuming the six-party process as soon as possible," Duguid said. The North Koreans reportedly expressed willingness to attend a fresh round of the six-party talks while receiving Chinese Vice Foreign Minister Wu Dawei in Pyongyang late last month. Duguid yesterday did not elaborate on a U.S. reaction to any launch of a missile by North Korea, leaving it to the U.N. Security Council. "The U.N. Security Council will decide what happens when a resolution is violated," he said yesterday. "We'll see what happens should there be a launch." (*Korea Herald*, "U.S., China Agree to Resume Six-Party Talks Soon," March 5, 2009)

North Korea has exported more than 1,000 Scud missiles and missile-related parts to the Middle East region, earning nearly \$1.5 billion annually, the Independent Working Group, a U.S. foreign policy think tank, claims in its newly released report "Missile Defense, the Space Relationship & the Twenty-First Century." The Stalinist regime has expanded arms trade and is providing technologies associated with its Taepodong-2 intercontinental ballistic missile to Middle East countries including Syria and Iran. "Missile exports, which net North Korea some \$1.5 billion a year, constitute one of its largest sources of revenue," said the report. (Lee Tae-hoon, "'N. Korea Exported 1,000 Missiles to the Middle East,'" *Korea Times*, March 5, 2009)

3/?/09

NSC Senior Director for Asia Jeffrey Bader: "In March the president chaired a National Security Council meeting in which the political and military contingencies were



considered and responses decided upon. ... The president told his senior staff he wanted to break the cycle of provocation, extortion, and reward that various U.S. administrations had confronted and ultimately accommodated in the past fifteen years. ... Defense Secretary Gates stressed the importance of not providing inducements to bring North Korea back to the table, or "not paying for the same horse three times." The president agreed. There was no mention then, or at any subsequent time, of candidate Obama's suggestion of a willingness to meet Kim Jong-il." (Jeffrey A. Bader, *Obama and China's Rise: An Insider's Account of America's Asia Strategy* (Washington: Brookings, 2012), p. 31)

3/6/09

South Korea told the North today to immediately withdraw a threat it made against the South's commercial airliners, which has forced them to stop flying near the airspace of the communist neighbor. North Korea, which is preparing to test its longest-range Taepodong-2 missile, said on Thursday it could not guarantee the safety of the South's commercial flights off the east coast of the peninsula where the missile base is located. It linked the warning to next week's joint U.S.-South Korea military drills, which start on Monday and have been held for years without major incident. The prickly North regularly criticizes them as a prelude to invasion and nuclear war. "Threatening civilian airliners' normal operations under international aviation regulations is not only against the international rules but is an act against humanity," South Korea's Unification Ministry spokesman Kim Ho-nyeon said. "The government urges the North to immediately withdraw the military threat against civilian airliners." (Jack Kim, "South Korea Tells North to Withdraw Airline Threat," Reuters, March 6, 2009)

North Korea and the United Nations Command in South Korea ended military border talks today - the first in seven years - without progress on defusing tension on the Korean Peninsula, as the North blasts the U.S. over its upcoming military drill with South Korea. North Korea demanded earlier this week in its first general-level encounter with the U.S.-led UNC in over six years that Seoul and Washington scrap their March 9-20 Key Resolve and Foal Eagle drill. At today's talks that lasted 45 minutes at the border village of Panmunjom, the UNC "urged North Korea to refrain from taking any provocative actions that would further increase tensions," its press release said. The UNC also called on the North to withdraw its intention to stop ensuring the safety of South Korean planes flying near its airspace, reiterating that the upcoming drill is "purely defensive," it said. Army Major Gen. Kwak Chol-hui represented the North Korean side, while U.S. Air Force Major Gen. Johnny Weida led the UNC delegation that included officers from South Korea, Britain and New Zealand. (Sam Kim, "N. Korea, U.N. Command End Border Talks without Progress," Yonhap, March 6, 2009) The South Korean government suggested the United Nations Command ignore a proposition made by North Korea on February 28 that there be top military talks but the United States said yes to the same meeting that eventually took place on March 2, saying it would be better to actually meet and talk. According to a source knowledgeable about the U.S.-South Korean relationship, the talks between the North and the UN Command of March 2 happened only because the United States said it would meet with the Northerners in its capacity as part of the UN Command after Seoul said it wanted to ignore the North's proposal and not have a meeting. "The different judgments and responses by Seoul and Washington show you

there are no small differences between the two countries about how they view the recent political situation on the Korean Peninsula and their strategies for dealing with the North," the source said. The reason the UN Command met with the North on March 2 without first having revealed the North had proposed the closed meeting appears to have been because South Korean and American authorities needed time to reconcile their positions. A South Korean Ministry of National Defense official, however, insisted that "our government was positive about the talks from the very start" and that there "weren't any points of discord or differences of opinion between us and the Americans." (*Hankyore*, "S. Korea Encouraged U.N. Command to Ignore N. Korea's Proposal for Talks," March 5, 2009)

Behind the long-range missile it is preparing to launch and the stockpile of plutonium it claims to have "weaponized," North Korea has an embarrassing and insoluble weakness. Under the leadership of Kim Jong Il, the country cannot feed its people. Perennially dependent on food aid, North Korea has become a truculent ward of the wealthy countries it threatens. It is the world's first nuclear-armed, missile-wielding beggar -- a particularly intricate challenge for the Obama administration as it begins to formulate a foreign policy. The "eating problem," as it is often called in North Korea, has eroded Kim's authority, damaged a decade of improved relations between the two Koreas and stunted the bodies and minds of millions of North Koreans. Teenage boys fleeing the North in the past decade are on average five inches shorter and weigh 25 pounds less than boys growing up in the South, according to measurements taken at a settlement center for defectors in South Korea. Mental retardation caused by malnutrition will disqualify about a quarter of potential military conscripts in North Korea, according to a December report by the National Intelligence Council, a research institution that is part of the U.S. intelligence community. The report said hunger-caused intellectual disabilities among the young are likely to cripple economic growth, even if the country opens to the outside world or unites with the South. "Baby homes, children homes and boarding schools seem to be in a dire state," one aid worker wrote in a diary last year after touring government institutions for children in a northern province. "Access to food is limited, and children are both socially and physiologically vulnerable." Hunger and handouts explain North Korea's recent round of fist-shaking against South Korea, which included the military's threat to adopt an "all-out confrontational posture." After a decade of blank-check aid, Seoul decided last year to stop giving food and fertilizer to the North unless it can monitor who the beneficiaries are. To secure donated food from the West, Kim has had to open his shuttered state to foreign aid experts who have mapped a pernicious pattern of malnutrition in which access to food depends, in many ways, on geographical and political proximity to the ruling elite in the capital, Pyongyang. Kim is also struggling -- and by many accounts failing -- to contain an outbreak of capitalism and profiteering that food shortages and food aid have helped spread. Since famine killed perhaps a million North Koreans in the mid-1990s, a sprawling, unruly and often corrupt network of private markets has replaced the government as the prime distributor of food. "People on the outside don't realize it, but North Korea right now is in a drastic state of change," said Jiro Ishimaru, who edits *Rimjingang*, a journal of reports, photos and videos smuggled out of North Korea by anonymous eyewitnesses. The government does not release statistics about the markets, and nearly all of them are off-limits to

foreigners. But according to estimates by outside economists with access to North Korean and U.N. food data, at least half the calories consumed by the population come from food sold in markets. And nearly 80 percent of household income in North Korea derives from buying and selling in the markets, according to a study last year in the Seoul Journal of Economics. The Seoul government gave a half-million tons of food annually, along with enough fertilizer to grow another half-million tons. Unlike the U.N. World Food Program and other international donors, which have a policy of "no access, no food," South Korea did not monitor who ate the food it gave. But last year, South Korea's president, Lee Myung-bak, changed the rules. "We have decided to monitor and secure delivery of food using the World Food Program procedures as our benchmark," said Lee Jong-joo, the humanitarian assistance chief in Seoul. "Unfortunately, we have had no dialogue whatsoever on these new conditions with North Korea." (Blaine Harden, "At the Heart of North Korea's Troubles, an Intractable Hunger Crisis," *Washington Post*, March 6, 2009)

Bosworth: **Q:** I heard that you showed some interest in visiting North Korea, and I was wondering how soon you'll be coming, or who you'll be meeting with, and how long you are going there. **BOSWORTH:** I have no plans to visit North Korea at this point on this trip. I would assume I will be going to North Korea at some time. By coincidence, before I accepted this position, I visited North Korea as a private citizen with a small delegation of other American academics and scholars. So I have been to North Korea actually within the last four weeks. But I have no plans at this point to go there on this trip. **Q:** And about the six-party talks, you talked with your Japanese counterparts about resuming the six-party talks? Under which condition will you resume? **BOSWORTH:** We are in the final stages of our policy review in Washington, in the Obama Administration. And I think we are confident that the five parties see this situation very much the same. And we're going to move ahead as soon as we can. We hope that North Korea refrains from the provocation of firing a missile, and if they don't refrain -- if that does happen -- then obviously we'll have to take stock and decide how to respond and what we will do. But I'm confident that we can respond in a common fashion. **Q:** And in your visit to Japan, you said you agreed in lots of aspects. Could you clarify or [explain] in detail? **BOSWORTH:** Well, I don't want to go into great detail, but obviously there are a number of important subjects that we have to address: the denuclearization issue, the question of missiles, and of course - particularly in the case of Tokyo and Japan - the question of the abductees. And my government continues to express strong solidarity with Japan on this subject. And in the Obama Administration, there is a plan in which we are going to continue to press the North Koreans. We understand the importance of this issue here in Japan. **Q:** You said you are going to keep on pressuring North Korea on that issue [abductions], and Ambassador Hill was always raising that specific topic on the U.S.-DPRK talks. And are you going to keep on taking that position. Or do you have any new concrete idea on how to keep on pressuring them? **BOSWORTH:** I think it's a question of persuading them to recognize their own self-interest. They have an interest in resolving this problem, because without it, it's going to be very difficult to achieve normalization. And I think that in time - if we continue to talk to them about it - I have some degree of confidence that we can find solutions. This is of course primarily an issue between the DPRK and Japan, but we are strongly supporting resolving that issue. **Q:** Ambassador, just one more thing: You are

the special representative for the North Korean issue, and Mr. Sung Kim is the special envoy to the Six-Party Talks. How are you going to separate the roles, to solve this problem? **BOSWORTH:** Well, he's going to go to the Six-Party Talks, and I'm going to do other things. But I will obviously be very much engaged in the formulation of policy within the Six-Party Talks. I am very fortunate to have someone like Ambassador Kim working with me. He's got great experience, and he understands the issues very well. So there is no problem. We agree on the division of responsibilities." (DoS, Bosworth, Address to the U.S. Global Leadership Campaign, Tokyo, March 6, 2009)

3/7/09

**Q:** Ambassador Bosworth, is there any possibility that you will travel to North Korea this time? If not, what's the precondition for that? **BOSWORTH:** Well, I don't really want to get into preconditions. I don't at this point have plans to travel to North Korea on this trip. I was just in North Korea as a private citizen about a month ago. ...**Q:** Any concerns about your flight in this region with Thursday's [March 5] warning from North Korea? **BOSWORTH:** No, I don't think the warning was very helpful. And I think that everyone would be much happier if they would drop that line of rhetoric.**Q:** Are you going to visit DPRK, or meet DPRK officials, even though they [may be planning to] launch long-range missiles? **BOSWORTH:** Well, that's a complicated subject. We've indicated our position to them on the question of a missile launch or a satellite launch, or whatever they call it. We think it's very ill-advised. (D.O.S., Stephen W. Bosworth, Special Representative for North Korea Policy, Arrival at Incheon Airport, Seoul, March 7, 2009)

3/9/09

North Korea said it had put its armed forces on full combat readiness in response to the start of annual military exercises by U.S. and South Korean troops, raising tension on the divided peninsula. In a statement read on state television, a fierce-voiced military official also warned that any attempt to shoot down the long-range missile the reclusive state plans to launch soon would be seen as an act of war. It called the drills a provocation that would only occur "on the eve of a war," and said it would cut off its hotline with the South's military -- the one telephone link between the two armies who are massed either side of the border that has divided them for more than half a century. "Shooting our satellite for peaceful purposes will precisely mean a war," a spokesman for the Korean People's Army said on North Korea's one television channel. (Jon Herskovitz, "North Korea Say on Full Combat Readiness," Reuters, March 9, 2009)

The government expressed regrets over North Korea's cut-off of inter-Korean military communication channels and called for immediate withdrawal of the measure, amid mounting tension on the Korean Peninsula. The North Korean measure was construed as a protest against the Key Resolve and Foal Eagle exercise, the annual large-scale military drill between South Korea and the United States, which began the same day. (Kim Sue-young, "North Cuts Military Hotline with South," *Korea Times*, March 9, 2009)

Kim Jong -il was unanimously re-elected to North Korea's rubber-stamp parliament, state media said today, in elections closely watched for signs of a political shift or hints the autocratic leader was grooming a successor. But none of Kim's three sons was among the 686 other legislators announced by state media late Monday. There had

been reports his youngest son, Kim Jong Un, was running for a seat in Sunday's uncontested election, which analysts said would have been a strong sign he was being prepped to inherit power. Turnout Sunday was 99.98 percent, with all voters backing the sole candidate running in their constituency, the official KCNA said. (Hyung-jin Kim, "Kim's Sons Not on New List of N. Korean Lawmakers," Associated Press, March 9, 2009)

A high-level U.S. envoy called on North Korea to improve communication with South Korea and reduce tension on the divided peninsula by denuclearizing through a multilateral process. Stephen Bosworth said Pyongyang's latest measure to cut a main military communications channel to protest the United States and South Korea's joint military training is regrettable. "Obviously, this is something that we regret," Stephen Bosworth told reporters after a series of meetings with President Lee Myung-bak and other top-ranking officials. "We think that improved communications between South and North Korea must in the longer run be a key component of the six-party effort to reduce tension and to bring about the denuclearization of the peninsula." Eighty South Korean workers remain stranded in an inter-Korean joint industrial complex in Kaesong, a North Korean border town, because the North pulled the plug on its military communication line earlier in the day. Cross-border visits by South Koreans require North Korean military's endorsement through the communication line. He reaffirmed that Washington will push for talks with Pyongyang on the basis of its alliance with Seoul. "Because of our alliance, the need for U.S. cooperation and coordination with the ROK (South Korea) is paramount, and we are dedicated to that," he said. "The fundamental goal of the United States remains unchanged, and that is the complete and verifiable denuclearization of the Korean Peninsula." The envoy dismissed worries that U.S. President Barack Obama's administration may put a higher priority on direct negotiations with Pyongyang than the often troubled six-party talks also involving South Korea, China, Russia, and Japan. "We continue to regard the six-party process as the central element of our effort to continue with the denuclearization of the Korean Peninsula," he said. Bosworth again warned North Korea not to fire a ballistic missile. "Whether they describe it as a satellite launch or something else makes no difference. This would be a violation of the U.N. Security Council Resolution 1718," he said. "We are hopeful that we can see the resumption of the six-party process in the relatively near future," Bosworth said. South Korea's top nuclear negotiator, Wi Sung-lac, agreed. **"We are willing to have any kind of discussions, including the verification method,"** Wi said in a separate meeting with reporters. "It would be useful to hold the talks if possible." (Lee Chi-dong , "Bosworth Urges N. Korea to Improve Communication with S. Korea," Yonhap, March 9, 2009)

Bosworth: **Q:** Mr. Ambassador, did you reach an agreement on how you would react to a possible missile launch? **BOSWORTH:** We've discussed extensively the possible -- possibility of a North Korean missile launch. I think, first of all, we are in strong agreement - as are all of the other members of the five parties - that this would be extremely ill-advised for North Korea to do this. We and the ROK clearly view it as a contravention of UN Security Council Resolution 1718, and we have agreed to remain in very close consultations as we move forward on this subject. **Q:** Ambassador, North Korea's decision today to end or disconnect any military contact with South Korea --

how does that affect the progress or lack thereof in the Six-Party Talks? **BOSWORTH:** Well, obviously this is something that we regret. We think that improved communication between South and North Korea must, in the longer run, be a key component of the Six-Party effort to reduce tensions and to bring about the denuclearization of the peninsula. So I wouldn't have any comment beyond that. **Q:** Ambassador, the North Koreans said today that shooting down their so-called satellite would mean a war. Do you have any comments on that? **BOSWORTH:** Well, we have no comment on that. Clearly our hope is that they don't try to launch a satellite or fire a missile with - for whatever reason. As I indicated, our view is very strongly that under UN Resolution 1718 - whether they describe it as a satellite launch or something else makes no difference - they would be in violation of UN Security Council Resolution 1718. **Q:** You just mentioned that the six-party talks are the central element. I understand you are seeking high-level contact with North Koreans. How does it fit with the six-party talks? **BOSWORTH:** We've always, for the most part -- there have been some exceptions, but for the most part -- the U.S. has always been willing to have high level contacts with the North Koreans. I think the key here is that we do that in commitment to our partners, the other countries in the six-party process, that we will remain fully-engaged with them, and we will coordinate very closely. But - as the new administration in office takes office in Washington - we are basically committed to be willing to have dialogue with anyone. That doesn't mean we're going to be automatically in agreement, and it certainly does not mean, in this case, that our commitment to the Six-Party process is any less." (DoS, Bosworth, Afternoon Walkthrough in Seoul, March 9, 2009)

The Obama administration, said Ron Kirk, U.S. trade representative-designate, is conducting a review of trade agreements signed by the previous administration with South Korea, Colombia and Panama. He said outright that the deal with South Korea, as currently written, "is simply unfair." He added that "we are prepared to step away from that" if it is not reworked. The new administration policy statement, released by the trade representative's office last week, said Obama would seek new benchmarks for the passage of the agreements with South Korea and Colombia. South Korea has come under fire for its hurdles for U.S. automakers. Though Kirk declined to detail what those benchmarks may be, analysts have suggested that they might involve, for instance, a U.S. insistence that murders of union leaders be sharply reduced in Colombia before lending support to the deal. The trade representative's office also stated that trade policy must now contain a new element of "social accountability," including on issues such as climate change. "We should aim to make trade a part of the tool kit of solutions for addressing international environmental challenges," the statement said. (Anthony Faiola, "U.S. to Toughen Its Stance on Trade," *Washington Post*, March 10, 2009, p. A-1)

3/10/09

Japanese Defense Minister Hamada Yasukazu told a news conference, "I believe it's important for the government to call on North Korea to refrain from an action that would damage peace and stability in the region. Hamada's remark came in response to North Korea's warning Monday that any move to intercept its "communications satellite" would result in a counterstrike. PM Aso also warned Pyongyang that it would be a violation of United Nations Security Council resolutions for the North to launch

"whatever was highly likely to fly over Japan all of a sudden, regardless of whether the launch is for a rocket or anything else." He told reporters in the evening, "Both abductions (of Japanese nationals by North Korean agents) and missile launches would be a breach of Japanese sovereignty." Hamada said the Defense Ministry will make preparations to deal with the missile test-firing "in an appropriate manner," repeating Tokyo's intention to intercept a ballistic missile in accordance with the law if it looks set to hit anywhere on Japanese soil or in Japanese territorial waters. "We must ready ourselves to do various things that we have thought of if we're thinking about the nation's security," he said, adding that the ministry should deal with the matter in a "calm manner." (Kyodo, "Defense Chief Urges N. Korea to Show Restraint over Missile Launch," March 10, 2009)

North Korea granted access to Kaesong industrial complex to South Koreans, just a day after it cut off a military hotline to protest a South Korea-U.S. joint military exercise. South Koreans, however, must receive a visit permit from Pyongyang via hand, not the phone line, according to the Ministry of Unification. "The North sent a note stating it will allow South Korean personnel and vehicles to cross the Military Demarcation Line," ministry spokesman Kim Ho-nyoun told reporters. As the North reopened the border, 247 South Korean workers and 179 vehicles entered the industrial zone in Kaesong, and 213 people and 151 automobiles returned to the South, Kim said. (Kim Sue-young, "N. Korea Reopens Inter-Korean Border," *Korea Times*, March 10, 2009)

3/11/09

North Korea gave notice that it will launch a satellite between April 4-8, the International Maritime Organization said March 12, prompting brisk talks among regional countries to prepare their coordinated measures. KCNA reported earlier in the day that it has informed the International Civil Aviation Organization (ICAO) and the International Maritime Organization (IMO) of the planned launch. "IMO can confirm that it has received a communication from the Democratic Peoples' Republic of Korea concerning the intended launch of an experimental communications satellite," the London-based agency said in an emailed statement. The letter from "the North Korean maritime administration in Pyongyang" was received today London time, the IMO spokesman Lee Adamson said over the telephone. The IMO will soon issue safety guidelines for ships and member countries, he said. Seoul officials said the North Korean rocket would be directed over the East Sea and the Pacific, citing information on the orbiting coordinates they received from the international agencies. "We have received information from the IMO about when the launch will be, the planned launch of an experimental communications satellite and the zones to be affected," said Kim Hae-gwang, an official at the Ministry of Land, Transport and Maritime Affairs. A government source, requesting anonymity, said there are no signs of an imminent launch, but that North Korea will be technically ready for the launch by early next month. North Korea said on Thursday it has joined two international treaties for space development -- the Treaty on Principles Governing the Activities of States in the Exploration and Use of Outer Space including the Moon and Other Celestial Bodies, and the Convention on Registration of Objects Launched into Outer Space. The entry was not necessary. Non-member states can also launch a satellite. "The DPRK's accession to the said treaty and convention will contribute to promoting international confidence and boosting cooperation in scientific research into space and the satellite

launch for peaceful purposes," KCNA said. Paik Hak-soon, an analyst with the independent Sejong Institute in Seoul, said North Korea is taking a safe route by following international procedures. If successful, the launch will virtually declare North Korea, which conducted its first atomic test in 2006, a nuclear state that has both nuclear weapons and the means to launch them. "Through this process of notification, it is trying to avoid a bad image as well as international sanctions," Paik said. Paik also noted North Korea may have carefully timed the launch to amplify its effect on internal politics. In April, North Korea celebrates a series of important events. Leader Kim Jong-il was appointed as chairman of the National Defense Commission, the highest decision-making body that oversees the country's 1.19-million strong military, on April 9, 1993. The birthday of Kim's late father and North Korea's founder, Kim Il-sung falls on April 15. Neighboring countries were unanimously opposed to the North Korean satellite launch, but there were signs of a rift in handling it. South Korean officials said the launch -- whether it is a satellite or a missile -- would violate a U.N. Security Council resolution banning the North's ballistic missile activity. The resolution was adopted after its nuclear and missile tests in 2006. "Based on cooperation with pertinent nations, our government will continue to urge North Korea to suspend its tension-raising activities, including a missile launch," Unification Minister Hyun In-taek told a parliament committee on March 12. But Russia took a more cautious stance. "Let us see when things really happen, and then make conclusions and assessment," Russia's Vice FM Alexei Borodavkin, who serves as Moscow's chief nuclear envoy, told Yonhap after meeting with South Korean Foreign Minister Yu Myung-hwan in Seoul. The U.S. appeared to be retreating from its earlier position that it was ready to intercept a ballistic missile from North Korea. "I wouldn't get into what, if any, preparations we make to deal with that possibility," Geoff Morrell, the Pentagon spokesman, told reporters on Wednesday. Secretary of State Hillary Clinton said both the U.S. and China agree the rocket launch would be a violation of the U.N. resolution and urged North Korea to refrain from the rocket launch. "I think that our partners in the six-party talks are concerned about the missile launch," Clinton said after a meeting with Chinese Foreign Minister Yang Jiechi. Japanese military officials have been weighing whether to shoot down the rocket (Kim Hyun, "N. Korea Gives Notice of Satellite Launch Next Month," Yonhap, March 12, 2009)

DPRK FoMin spokesman on Key Resolve and Foal Eagle joint military exercises: "The U.S. and the south Korean puppets started large-scale war exercises targeted against the DPRK on March 9. These war exercises were kicked off by the U.S. and the south Korean puppet war-like forces across south Korea at a time when the inter-Korean relations have reached the worst phase and the situation has grown so tense that a war may break out any moment due to the reckless policy of confrontation pursued by the south Korean conservative authorities. The war maneuvers are nuclear war exercises designed to mount a preemptive attack on the DPRK in terms of their scale and contents from A to Z. Involved in the exercises are far greater number of U.S. troops present overseas and more offensive military equipment including two nuclear-powdered carriers and nuclear submarines than those mobilized in the previous war maneuvers. Their duration is double that of the saber rattling staged before. ...**The new administration of the U.S. is now working hard to infringe upon the sovereignty of the DPRK by force of arms in collusion with the south Korean**



**puppet bellicose forces after letting loose a whole string of words and deeds little short of getting on the nerves of the DPRK and seriously interfering in its internal affairs.** This situation hardens the will of the DPRK to bolster up its defense capability in every way no matter what others may say. The DPRK, exposed to the potential threat of the U.S. and its allied forces, will take every necessary measure to protect its sovereignty." (KCNA, "DPRK to Take Every Measure to Protect Its Sovereignty," March 11, 2009)

In an unusual move, North Korea directly expressed its dismay with the government of President Barack Obama today, Yonhap News reported. "The new administration of the United States is now working hard to infringe upon the sovereignty of the DPRK by force of arms ... after letting loose a whole string of words and deeds little short of getting on the nerves of the DPRK and seriously interfering in its internal affairs" the North's Foreign Ministry spokesman said. The North did not elaborate, but the statement appeared to be linked to a series of remarks recently made by senior Washington officials and reports that have irked Pyongyang, the report said. During her Asia trip last month, U.S. Secretary of State Hillary Clinton touched on the sensitive issue of succession in North Korea, saying "the whole leadership situation is somewhat unclear." (*Korea Times*, "Pyongyang Expresses Dismay with Obama," March 11, 2009)

North Korea today vowed to take "every necessary measure" to defend its sovereignty, as it continued preparations to launch what it claims is a satellite amid an ongoing U.S.-South Korean military drill. North Korea has said it will launch a communications satellite, Kwangmyongsong-2, into orbit as part of its peaceful space development program. Given the North's past missile activity, there has been conflicting speculation about the nature of the rocket the North plans to launch. Neighbor countries believe the North will test-launch a long-range missile under the cover of a satellite. But the chief U.S. intelligence official said Tuesday that the object may indeed be a "space-launch vehicle" as the North claims. **"I tend to believe that -- the North Koreans announced that they were going to do a space launch, and I believe that that's what they ... intend,"** U.S. Director of National Intelligence Dennis Blair said in a Senate Armed Services Committee hearing. "I could be wrong, but that would be my estimate." Blair's remarks left questions about how the U.S. would respond if and when the North launches the rocket. *Choson Sinbo*, a Tokyo-based newspaper that conveys Pyongyang's position, said North Korea's satellite activity is part of its economic reconstruction policy. North Korean leader Kim Jong-il is mobilizing all resources to build a strong nation by 2012, the paper noted. "Economic revival based on modern science technology is the country's unwavering policy. The satellite launch plan is inseparable from the start of a 'new revolutionary upsurge,'" the paper said, referring to an economic drive the North launched this year. (Kim Hyun, "N. Korea Vows 'Every Measure' to Protect Sovereignty amid S. Korea-U.S. Drill," March 11, 2009)

SecState Clinton: **Q:** You mentioned the denuclearization of - in North Korea. And yesterday, Stephen Bosworth came back and you talked with him about his trip. My question is, what did you talk about with him yesterday, and did you talk about with foreign minister of China today, in case of a possible launch of a missile by North Korea? Thank you very much. **CLINTON:** Well, Ambassador Bosworth gave me a full

report about his productive meetings in Tokyo, Seoul, and Beijing. **As you know, he was not invited to go to North Korea, which we regret.** He was prepared to go on a moment's notice to begin discussions with the North Koreans. As I have been doing with all of our Six-Party partners - I did it last Friday night in Geneva, with Foreign Minister Lavrov, again today with Foreign Minister Yang - we believe in the Six-Party Talks, and we believe in the goal of denuclearizing the Korean Peninsula. We are committed to that. We would like to see the Six-Party Talks resume at the earliest possible moment. We are outspoken in our opposition to the North Korean's missile launch, and we believe that that is a unified position, and that each of the members of the Six-Party Talks have attempted to dissuade North Korea from proceeding. **And we are also agreed that we will discuss a response if we are not successful in convincing them not to go forward with what is a very provocative act. And there are a range of options available to take action against the North Koreans in the wake of the missile launch, if they pursue that, but also to try to resume the Six-Party Talks.** Let's not confuse the two. The goal of denuclearizing the Korean Peninsula remains a paramount goal, and the Six-Party Talks framework should be restarted so that we can begin to work on that. **We need to have a conversation about missile - missiles, and it's not - it wasn't in the Six-Party Talks. We would like to see it be part of the discussion with North Korea. But most importantly, we would like to see North Korea evidence in some way their willingness to re-engage with all of us and to work together on the agenda that they agreed to in the Six-Party Talks. And that's what we're working for.**" (DoS, Secretary of State Hillary Clinton, Remarks after Her Meeting with Chinese Foreign Minister Yang Jiechi, March 11, 2009)

Former North Korean agent Kim Hyon Hui met with the brother and son of Japanese abductee Taguchi Yaeko today in the South Korean city of Busan, saying she believes Taguchi is still alive. "I have no doubt your mother is still alive. I'm sure (you will be able to meet her) if you continue to make the effort," Kim told them in Japanese. Kim is believed to have learned from Taguchi. The meeting between the 47-year-old Kim and Iizuka Shigeo, 70, and Iizuka Koichiro, 32, was organized by the Japanese and South Korean governments as both Taguchi's kin and Kim wanted to meet the other party. (Kyodo, "Former N. Korean Agent Says Japanese Abductee Taguchi Still Alive," March 11, 2009) In Tokyo, the government said it helped arrange the meeting in the hope that Kim might provide fresh information about the woman who tutored her, Taguchi Yaeko, that could be used to press the North Korean government on other cases. In 2002, North Korea admitted to kidnapping 13 Japanese citizens to help train its spies. It allowed five to return to Japan that year but said the others had died - an assertion Tokyo has not accepted. But Kim, 47, delivered no new information. At a news conference in the southern city of Busan, she said that she had "heard" in 1987 that Ms. Taguchi had been "sent somewhere" and that she had "assumed" at the time that she was still alive. But she did not refute the North Korean claim that Taguchi had died in a car accident in 1986. Still, Taguchi's 32-year-old son, said after meeting Kim that he was convinced his mother was alive. Kim also used the occasion to try to dispel years of speculation about her identity by stressing that she was indeed an agent who planted the bomb on a Korean Air Boeing 707, which exploded near Myanmar and killed all aboard. "I am not a fake," she said. "It was an act of terror by North Korea." She and an

accomplice were apprehended in Bahrain, after they had planted the bomb and left the flight. Both took poison; only Ms. Kim survived. She was extradited to South Korea, where she was sentenced to death, but leaders in Seoul pardoned her and portrayed her as an innocent duped by the North Korean leader, Kim Jong-il, into attempting to disrupt the 1988 Seoul Olympics. Kim eventually married a South Korean intelligence officer who had investigated her and has written several best-selling books. By late Wednesday, there was no reaction from North Korea about Ms. Kim's appearance, but analysts predicted that the public reminder of that incident and the abductions would irritate Pyongyang. "This meeting is not good for North Korea-Japan relations," said Kim Yong-hyun, a North Korea expert at Dongguk University in Seoul. Also, he said, "this is not good for South Korea-North Korea relations." (Choe Sng-hun, "Former N. Korean Agent Makes Public Appearance," *New York Times*, March 12, 2009, p. A-)

DoS Acting Spokesman Robert Wood: "**Q:** Ambassador Bosworth said on his return to the United States at the airport that he was hopeful that the Six-Party Talks could resume, and I think he said very soon. Any reason to believe that that's in the offing? **WOOD:** I mean, it's certainly possible. A lot of it will depend on the North and whether it's willing to engage. As you know, we were waiting for the North to agree in writing to a verification protocol. The North was not willing to do that. We are still very interested in seeing the North come back to the table so that we can have further discussions that will eventually get us to the denuclearization of the Korean Peninsula. So we do want to see that happen. **Q:** So you're still calling on the verification protocol in order to - before any Six-Party Talks? **WOOD:** Well, verification is a critical element of this process. The North, as you know, has submitted, you know, I think well over 18,000 pieces of paper with regard to its nuclear program. That needs to be verified. And what we tried to do with the other parties is to come up with a verification protocol that will allow us to be able to indeed measure what the North has submitted and to see whether it meets the requirements of the international community. That hasn't happened yet. But we're committed to this process. We think it has utility, and we call on the North to come back to the table and meet its requirements. **Q:** Do they have to do the verification protocol first before there's another Six-Party Talks meeting? **WOOD:** They have to - look, at some point, there is going to have to be - we're going to have to be able to verify all of the documents that the North submitted. That's going to have to take place. So the sooner we can get to that point, the better. But the North needs to be - we have to be able to come up with some type of tool that can verify all of the documents that were submitted." (DoS Daily Briefing, March 11, 2009)

3/12/09

KCNA: "**Recently the DPRK acceded to the 'Treaty on Principles Governing the Activities of States in the Exploration and Use of Outer Space including the Moon and Other Celestial Bodies' and the 'Convention on Registration of Objects Launched into Outer Space.'** The DPRK's accession to the said treaty and convention will contribute to promoting international confidence and boosting cooperation in the scientific research into space and the satellite launch for peaceful purposes. **In another development, the DPRK informed the International Civil Aviation Organization, the International Maritime Organization and other international organizations of necessary information for the safe navigation of planes and ships according to relevant regulations as part of its preparations for launching**

**Kwangmyongsong-2, an experimental communications satellite, by carrier rocket Unha-2 which was made public by the Korean Committee of Space Technology recently.** (KCNA Report on DPRK's Accession to International Space Treaty and Convention," March 12, 2009) Diplomatic sources contacted by *Arms Control Today* in March indicated that North Korea only acceded to the latter and informed Russia, a depository for the Outer Space Treaty, that it was adhering to that accord. (Peter Crail, "U.S., Allies Warn against N.K. Space Launch," *Arms Control Today*, April 2009)

South Korea's first space rocket launch has been postponed by a month to late July to give engineers more time for tests, the government said. "The engineers have expanded the number of items on the launch pad's safety check list to 348 from 99 and called for an extra month," said Lee Sang-Mok, a deputy director of the science and technology ministry. The launch of the Korea Space Launch Vehicle-1 (KSLV-1) had previously been postponed to late June from late-2008 after China's Sichuan province earthquake last year forced a delay in securing key parts. (AFP, "South Korea Postpones First Space Rocket Launch," March 12, 2009)

3/13/09

MOFAT: "North Korea's action is a violation of the UN Security Council Resolution 1718, and therefore it must stop all related activities. If North Korea follows through on its plan to launch the 'Kwangmyungsung 2,' the UN Security Council is likely to take up the matter and discuss ways to respond on its part. Moreover, it is deemed unhelpful to the six-party process." (MOFAT Press Release, March 13, 2009)

If North Korea goes through with a rocket launch, may open the door for Seoul to consider full-fledged membership in a Washington-led campaign to combat weapons proliferation. Foreign Minister Yu Myung-hwan said, "That is a possibility because the Proliferation Security Initiative is aimed at containing weapons of mass destruction, and if North Korea develops and attains such capabilities, there will be a need to prevent proliferation. So from this point of view, the launch may raise the need to review full membership." (Kim Ji-hyun, "Missile Launch May Lead to PSI Review," *Korea Herald*, March 16, 2009)

Japan today condemned North Korea's plan to launch a rocket next month, warning that it can legally shoot down any threatening object if it falls toward its territory. "They can call it a satellite or whatever, but it would be a violation" of a United Nations resolution, said PM Aso. The U.N. Security Council adopted a resolution banning North Korea from nuclear tests and ballistic missile activities after the Communist state detonated its first nuclear device in 2006. "Under our law, we can intercept any object if it is falling towards Japan, including any attacks on Japan, for our safety," said the Japanese government's top spokesman, Chief Cabinet Secretary Kawamura Takeo. If North Korea's rocket launching is successful, it will not fall toward Japan but rather fly over it. North Korea has said that it will consider any attempt to intercept its rocket "an act of war" and that it will attack the interceptors. (Choe Sang-hun, "Japan Warns North Korea over Rocket Launch," *New York Times*, March 14, 2009, p. A-)

North Korea again blocked 275 South Korean workers seeking to return to the South from the inter-Korean industrial complex in Kaesong, a North Korean border city.

According to the South Korean Unification Ministry, the North did not allow the entry into the North by South Koreans who applied for inland travel via the Gyeongui Line route scheduled in six rounds. Pyongyang gave no explanation for its action. Thus, 611 South Koreans and 352 vehicles in the South who were set to enter the North via the Gyeongui Line inland route were denied entry. Another 275 South Koreans and 107 vehicles seeking to return to the South from Kaesong in the afternoon were detained in the North. (*Dong-A Ilbo*, "North Korea Bans Border Crossings Again," March 14, 2009)

General Secretary Kim Jong Il inspected Unit 1811 under the KPA Artillery Command and watched its firing exercise. He was greeted on the spot by Col. General Ri Jong Bu, KPA Artillery commander, and other general officers and commanding officers of the unit. He acquainted himself with the unit's performance of guard duty. Then he mounted an observation platform where he was briefed on the plan for the exercise by the artillery commander and watched it. (KCNA, "Kim Jong Il Inspects KPA Unit," March 14, 2009)

3/16/09

Japan and South Korea warned North Korea of a harsh international response if Pyongyang goes ahead with a rocket launch, including raising the issue at the U.N. Security Council, with Tokyo's top nuclear envoy hinting at further unilateral sanctions by Japan. Saiki Akitaka, director general of the Asian and Oceanian Affairs Bureau, also said after meeting his South Korean counterpart Wi Sung Lac in Tokyo that the two countries believe a missile launch by Pyongyang would "unavoidably" affect any hope of resuming the stalled six-party talks aimed at denuclearizing North Korea. "Japan and South Korea are in absolute agreement that such a provocative act by North Korea, be it for the firing of a missile or a satellite, would violate U.N. Security Council resolutions," Saiki told reporters. "If the launch goes ahead despite our calls against it, of course the international community will respond harshly." Wi said separately, "We agreed to urge [North Korea] not to go ahead with firing the missile and that if it is launched...we will raise the matter at the U.N. Security Council." The South Korean envoy, who also met Japanese FM Nakasone, said the two sides discussed various other measures to be taken in response to a launch, but declined to give further details. "With regard to Japan's own sanctions against the North, which are to expire April 13, the government will respond firmly while keeping an eye on developments related to the missile launch," Saiki said. Japan, which is serving as a nonpermanent member of the U.N. Security Council this year, is eager to play a key role in securing strong condemnation of North Korea by the council, such as new resolutions with further sanctions. However, the reluctance of China and Russia, both permanent veto-holding members of the world body's top decision-making council, to agree to new sanctions if the launch turns out to be a satellite, is likely to be an obstacle. South Korea dispatched Wi to Japan amid rising tension in the region following Pyongyang's declaration last week of its plan to launch a "satellite" in early April. At today's talks, Japan and South Korea also discussed how to press for the early resumption of the six-party denuclearization talks, which also involve China, Russia and the United States. "If North Korea goes ahead with the launch, it would be hard to imagine that we can just get together and resume the six-party talks as if nothing has happened," a senior Japanese Foreign Ministry official said. (Kyodo, "S. Korea, Japan Warn of 'Harsh' Response If N. Korea Launches Rocket," March 16, 2009)

North Korea's electrical power grid is dying, according to international experts and foreign diplomats. They say power failures will soon threaten the communist state's stability as severely as famines and fears about the health of Kim Jong-il, its dictator. flooded coal mines, silted-up hydroelectric power stations and plunging oil imports mean it is increasingly difficult to keep powering the few luminous pinpricks visible from space. "What we are looking at is the x-ray of a dying body," said Peter Hayes, executive director of the Nautilus Institute. "There is not that much time left." Energy demand from consumers plunged to just over 500 petajoules in 2005 from about 1,300 petajoules in 1990, according to the institute's data, a stark reflection of the demise of North Korean industry. The petajoule is a measurement of energy use, equivalent to about 30m kilowatt hours. Since 2005, power output has recovered a little but not enough to ward off disaster, the institute told a conference on North Korea in Seoul. Traditionally, well over 70 per cent of North Korea's energy has come from coal but the mines are in crisis because the country lacks the technology to pump out flooded pits, which may account for up to 60 per cent of mines. The coal crisis has had an immediate knock-on effect in fuel for heating and cooking. In 1989, 77 per cent was provided by coal, now the figure is only 32 per cent. "This indicates that many of the rural citizens are in survival mode," said Mr Hayes. One side-effect is that people now scavenge for timber for burning, causing heavy deforestation, he said. John Everard, British ambassador to Pyongyang until last year, told the conference, organized by western embassies in Seoul, that he had visited a new hydroelectric power station in the North. "The turbine was made in Sweden in 1938, and this was a new power station," he said. Everard added that although flooding had been highlighted as a cause of agricultural problems in North Korea, its role in silting up hydroelectric plants and putting them out of action for weeks had not been fully appreciated. "My own view is that the [political and economic] system is so decrepit that the end will come suddenly and messily," Everard said. In an attempt to keep fuel away from the North's military, aid has been supplied by foreign countries in the form of heavy fuel oil rather than refined products. Crude oil imports are estimated at less than 20 per cent of what they were in 1990. "North Koreans are very tough but in the famine of the 1990s, they were told the famine was even worse in South Korea. They won't accept the same lies again. If there's no power in a bad winter, the regime won't get away with it," said a diplomat with experience in North Korea. (Christian Oliver, "N. Korea Energy Crisis Could Pose Severe Threat to Regime," *Financial Times*, March 16, 2009, p. 6)

South Korean FM Yu Myung-hwan said that his country would support missile negotiations between North Korea and the United States as it did in the waning days of the Clinton administration. "We regard such talks as necessary," Yu said in his monthly press briefing when asked about South Korea's position on the matter. "We were involved a lot in the U.S.-North Korea missile negotiations around the end of the Clinton administration. There had been close consultations between South Korea and the U.S. on the issue." Yu's comments came amid media speculation that Pyongyang is ultimately seeking to resume direct talks with Washington on its missile activity. (Lee Chi-dong, "S. Korea to Back N. Korea-U.S. Talks on Missile: Minister," *Yonhap*, March 16, 2009)

North Korea maintains a "shoot on sight" policy for people caught trying to flee the impoverished communist country, Vitit Muntarbhorn, U.N. Special Rapporteur on North Korean human rights, said in his latest report on conditions in the North, citing unidentified sources. "Some sources report a 'shoot on sight' policy with regard to those who seek to leave the country clandestinely, and violence used against pregnant women forcibly returned to the country," he said in the report made public on the agency's Web site before his presentation to the tenth session of the U.N. Human Rights Council underway in Geneva. "Over the past year, the situation facing asylum-seekers has become more stringent. More restrictions have been imposed on departures from the Democratic People's Republic of Korea and entry into neighboring countries," he said. "The overall picture of human rights implementation in the country is nonetheless grim, and the situation remains dire and desperate," he said. "The predicament ensuing from the broad range of systematic and widespread human rights violations in the Democratic People's Republic of Korea requires urgent attention at all levels, from national to international." He urged North Korea to improve its food distribution system, saying poverty of the urban poor and people in remote areas is expected to continue despite improved climatic conditions in 2008. It is estimated that total food production for the period 2008-09 will be 4.21 million tons, with a cereal deficit of 836,000 tons, despite possible commercial imports of 500,000 tons, according to a joint report by the World Food Program and the Food and Agriculture Organization of the U.N. in late 2008. "Some 8.7 million people are food insecure and thus need help. Given these conditions, there is also a need for consistent nutritional assessment of the people at risk," Muntarbhorn said. "Ensure effective provision of and access to food and other basic necessities for those in need of assistance, cooperate constructively with United Nations agencies and other humanitarian actors on the issue, and allow people to undertake economic activities to satisfy their basic needs and supplement their livelihood without State interference," he added. (Lee Chi-dong, "U.N. Envoy Urges N. Korea to Stop Punishing Defectors, Improve Food Distribution, Yonhap, March 16, 2009)

"North Korea is slowing down the pace of removing the spent fuel rods from the nuclear power plant as part of disablement," a South Korean official told AFP today. "It is now removing 15 nuclear fuel rods a week, down from 15 a day last autumn." (Kyodo, March 17, 2009)

North Korea has ordered U.S. NGOs to leave after rejecting U.S. food aid, one of the aid groups said. "They didn't give any reason that we know of," said Mercy Corps' Joy Portella. (AFP, U.S. NGOs Told to Leave North Korea," March 18, 2009)

Anti-missile weaponry would be able to defend the United States against any ballistic missile fired by the North Korean regime, a US general said. "If we felt the North Koreans were going to shoot a ballistic missile at us today, I am comfortable that we would have an effective system that would meet that need," Air Force General Victor "Gene" Renuart, head of US Northern Command and North American Aerospace Defense Command, told a congressional hearing. "North Korea is the system that we're fixed on," he said. Asked about the reliability of US land-based anti-missile weaponry, Renuart told the Senate Armed Services Committee the military was

focused on North Korea as "a very limited threat." (AFP, "Weaponry Could Defend Against a N. Korean Missile," March 17, 2009)

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Japan will clear the way for the deployment of ballistic missile interceptors as it prepares for the possibility of a planned North Korean rocket launch falling onto its territory, Kyodo reported. Japanese law allows it to shoot down any dangerous object falling toward the country, excluding aircraft, although the planned North Korean rocket would not hit Japanese territory if it follows its expected path. North Korea has given notice to global agencies of its plans to launch a satellite between April 4 and 8, presenting a challenge to U.S. President Barack Obama and allies who see the launch as a disguised missile test. Japan's cabinet plans to approve preparatory steps to destroy the rocket if it falls onto Japanese territory, Kyodo said, citing government sources. Cabinet approval, which may come by the end of the month, would clear the way for Defense Minister Yasukazu Hamada to order the deployment of ground-based Patriot Advanced Capability-3 interceptors, Kyodo said. (Reuters, "Japan to ready defense against N. Korea rocket: Kyodo," March 19, 2009)

North Korea might stage a limited clash on the border with South Korea at the same time as its planned rocket launch early next month, the South's defense ministry said. "There is a good possibility North Korea may stage a provocative act in some areas after international attention is focused on its missile launch," the ministry said in a report to a parliamentary committee on inter-Korean relations. "It appears the North is trying to incite internal conflict in the South while pressuring the United States' Obama administration to come to bilateral talks at an early date," it said. (AFP, "North Korea Might Stage Clash amid Missile Launch - Ministry," March 18, 2009)

South Korea is considering drafting a list of targets for sanctions in North Korea in case the North launches a long-range missile. The projected list is aimed at stepping up pressure on the North under UN Security Council Resolution 1718. The list would specify people and organizations in North Korea as targets of major sanctions. When Resolution 1718 was adopted after North Korea conducted a nuclear test in 2006, no list was made out of political consideration. A government official said, "Considering the positions of China and Russia, it's not easy to reach a new resolution at the UN Security Council if the North keeps insisting that the projectile it plans to launch is a satellite. But there is some consensus that the North's launch of such a projectile would itself constitute a violation of Resolution 1718, even if it is a satellite." He said a "realistic alternative" would be to step up sanctions according to the resolution, which have so far been nominal. (*Chosun Ilbo*, "Seoul Mulling List of Targets for N. Korea Sanctions," March 18, 2009)

North Korea has rejected U.S. humanitarian food aid that the impoverished country has received since June last year, the U.S. State Department spokesman Robert Wood told a daily briefing. "North Korea has informed the United States that it does not wish to receive additional U.S. food assistance at this time." On when the North gave the notice, he said two to three days ago. "The food aid program was intended to try to help get food to needy North Koreans, and we're obviously disappointed in that," he said. "Humanitarian assistance that we provide to the North has nothing to do with the



six-party talks. This is about our true humanitarian concern for these people. And as you know, the food situation in North Korea is not a good one, and so we're very concerned about it." The program was launched in June last year by the Bush administration at a cost of 15 million U.S. dollars after the North began nuclear disablement by demolishing a cooling tower in its Yongbyon nuclear facility. Washington has promised 500,000 tons of food -- 400,000 tons via the World Food Program and 100,000 tons via U.S. NGOs. Around 169,000 tons have been delivered to the communist country. (*Dong-A Ilbo*, "N. Korea Rejects U.S. Humanitarian Food Aid," March 19, 2009)

The prime ministers of China and North Korea discussed the nuclear situation on the Korean peninsula as they met amid rising tensions over Pyongyang's atomic and missile programs. "China is willing to actively push forward the six-party talks and continue to play a constructive role in realizing the denuclearization of the Korean peninsula," Wen Jiabao told Kim Yong-Il in talks broadcast on state television. "At present, the situation on the Korean peninsula is rather complicated with an increasing number of uncertain factors," foreign ministry spokesman Qin Gang told reporters yesterday. "We express concern over this." (AFP, "China, North Korea Discuss Nuclear Issue on the Korean Peninsula," March 18, 2009)

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President Hu Jintao told North Korean Premier Kim Yong Il that participants of the six-party talks for denuclearizing North Korea should resolve existing differences and promote the multilateral negotiations. China's state-run media did not say whether North Korea's plan to launch a rocket early next month, which has triggered international concern, was mentioned in the talks between Hu and Kim at Beijing's Great Hall of the People. "How to overcome current difficulties and resume the six-party talks is the task jointly faced by relevant parties," China Central Television quoted Hu as telling Kim. "China hopes to make efforts together with relevant parties and continue promoting the six-party talks," he was quoted as saying. (Kyodo, "China's Hu Tells N. Korea Differences Should Be Resolved," March 19, 2009)

PM Aso Taro suggested that Japan is considering imposing additional sanctions against North Korea by itself if it launches a rocket carrying what it claims to be a satellite. "We will make a comprehensive decision (on how to deal with a possible launch), with an eye to enhancing sanctions," Aso told the Budget Committee of the House of Councillors. Aso also said it is necessary to take into consideration various factors -- such as if it is really a satellite, how U.N. Security Council members will respond and how Pyongyang will deal with the abduction issue -- in deciding Tokyo's response to a launch. While Japan, South Korea and the United States concur that any launch by the North, whether missile or satellite, would violate existing U.N. resolutions, Japanese officials acknowledged that it may be difficult to win a consensus at the council on condemning North Korea if it turns out indeed to be a satellite launch. (Kyodo, "Japan Eyes Imposing More Sanctions on N. Korea If Missile Is Launched," March 19, 2009)

3/19/09

Japan and the United States are preparing a document that likely will be issued as a U.N. Security Council presidential statement criticizing North Korea when the reclusive nation launches a rocket next month, U.N. diplomatic sources said. China has intimated it will oppose a new resolution aimed at condemning or imposing sanctions against North Korea. In light of this, the idea of a presidential statement--which is nonbinding and weaker than a resolution--has been tentatively posited, the sources said. According to the sources, the Chinese ambassador to the United Nations and other Chinese officials began visiting concerned countries' diplomats at the U.N. headquarters last weekend, saying Beijing would oppose a new U.N. resolution against North Korea. The Chinese diplomats reportedly were of the opinion that the launch would not violate extant U.N. resolutions as Pyongyang has claimed it will be launching a satellite and has notified the International Maritime Organization of its intentions. (Shirakawa Yoshikazu. "Japan, U.S. Eye UNSC Statement," *Yomiuri Shimbum*, March 21, 2009)

*Chosun Sinbo*: "The DPRK's advance notification about the artificial satellite launch has given time to the ruler of the hostile country. This is an opportunity for self-reflection about the confrontational structure where an artificial satellite is regarded as a "missile." Irrational logic no longer works. Even the US Director of National Intelligence has said that he regards the object that the DPRK is going to launch as an artificial satellite. The assertion that it is difficult to impose sanctions against the DPRK's artificial satellite launch is rising among experts of the United States. They are pointing out that the international community has no concerted opinion regarding whether or not the launch of "U'nha No 2" loaded with "Kwangmyo'ngso'ng No 2" can be regarded as [being part of] "all activities related with ballistic missiles," whose suspension was urged by the UN Security Council in 2006. Still, it is too early to predict what actions will be taken by the Obama regime that has explained that it is "examining" DPRK policies. **One thing for certain is that if sanctions and pressure are chosen, the process of dialogue with the DPRK, which has been maintained by the diplomatic frame of the Six-Party Talks, will face a crisis of suspension.** After the DPRK revealed a plan to launch an artificial satellite, US Secretary of State Hillary Clinton, who had talks with Chinese Foreign Minister Yang Jiechi, expressed willingness to negotiate the missile issue with the DPRK during a news conference. Though not brought up for discussion as an agenda item within the Six-Party Talks framework, the missile issue was discussed in the DPRK-US bilateral talks during the Clinton administration in the 1990s. **During the discussion that proceeded after the launch of "Kwangmyo'ngso'ng No 1" (1998), [the DPRK and the United States] sought for compromise proposals, under which, for example, the DPRK limits the production, development, and deployment of missiles, and the United States supports the DPRK's artificial satellite launch, but no final agreement was reached.** In Japan, where a missile defense (MD) system was built under the pretext of the DPRK's "threats," the Aso regime's cabinet members are bluffing about being able to intercept the DPRK's "missile." Bereft of the ability to discern the true meaning of information since the "abduction" commotion, the media, too, are turning a blind eye to the fact that the interception of the space launch vehicle means war and are stirring hostile feelings against the DPRK. Public opinion that justifies not only the extension of "sanctions" on the DPRK that expires on 13 April but also the enforcement of

"additional sanctions" is being created. As was the case in the launch of "Kwangmyo'ngso'ng No 1" about 10 years ago, Japan is responding without discernment. It appears that [Japan] is not making the best use of lessons gained in the diplomatic process in recent years, either. Having enforced 'unilateral sanctions' under the pretext of the DPRK's nuclear test in 2006, Japan was reduced to being a loner at the venue of multilateral negotiations following the resumption of the Six-Party Talks. Currently, South Korea is also orbiting on the same orbit as Japan. The Lee Myung-bak regime continues to pursue a line of confrontation against the North. In the diplomatic field as well, [the Lee Myung-bak regime] is adhering to a shortsighted policy of politically using the abduction issue so as to curry favor with Japan. 'North Korea's missile launch cannot be tolerated.' Both the Aso regime and the Lee Myung-bak regime are fine-tuning themselves to the beat of the Obama regime, but should the 'missile' commotion expand, its conclusion will be brinkmanship confrontation with no way out. **The DPRK's military is openly declaring military countermeasures to counter infringement of its sovereignty.** The determination of how each [regime] utilized the grace period provided by the DPRK will become evident after April. If they were trying to avoid a catastrophic situation, they would not commit the foolish act of indiscriminately raising confrontation-mindedness among the people so that the government finds itself in a situation where they themselves are helpless. **Rather than exaggerating the 'crisis' before their eyes, the priority task is to establish post-launch measures with foresight towards the settlement of the situation.** A country that acts rashly to take advantage of the current situation for a confrontational and hard-line policy toward the DPRK will not be able to avoid "diplomatic retribution" when the "missile" commotion issue enters its settlement stage. **It seems that the DPRK's satellite launch will become a barometer that distinguishes a regime capable of coping with sudden changes in the situation with a political eye from a regime that cannot.** (Kim Chi-yo'ng: "Notification of Artificial Satellite Launch Plan Is 'Opportunities for Reflection' Provided by DPRK," *Chosun Sinbo*, March 19, 2009)

Secretary of State Clinton told the graduation ceremony at Barnard College to show their opposition to Pyongyang's detention of two journalists who are due to go on trial on June 4, "We have two young women journalists right now imprisoned in North Korea and you can get busy on the Internet and let the North Koreans know that you find that absolutely unacceptable." (AFP, "Internet Can Help Free U.S. Reporters in N. Korea: Clinton," May 19, 2009) North Korea and the United States are in secret talks over the two American journalists being detained by the communist nation, a diplomatic source here said. "Two reporters working for a U.S.-based Internet news media outlet, including a Korean-American, were detained by North Korean authorities earlier this week, and they remain in custody there," the source said. The journalists, both women, were videotaping a scene near the North's border with China despite repeated warnings by North Korean border guards, according to the source. They were arrested after accidentally crossing into North Korea, the source said, adding it was hard to predict how the North will handle the situation. The journalists from the California-based online media outlet Current TV were identified as Euna Lee, editor of the news service section, and Laura Ling, a reporter. (Lee Chi-dong, "N. Korea Detains Two American Journalists," *Yonhap*, March 19, 2009) Two American journalists being held by North Korea may have been led across the border from China by a guide

promising them exclusive footage of human trafficking or drug deals, an activist who helped organize their trip said Wednesday. The Rev. Chun Ki-won says he repeatedly warned Laura Ling and Euna Lee by phone not to stray into North Korean territory in the days before their March 17 detention. Chun, who said he helped arrange their trip to China to report on North Korean refugees living in border towns, said the reporters kept in close contact, calling him twice daily. They followed his advice to the word, and never mentioned wanting to sneak into North Korea, he said. "They didn't tell me about it in advance," he told The Associated Press, showing a reporter e-mail exchanges with Lee. "They were not supposed to go there." (Hyung-jin Kim and Kang-tae Kim, "Minister: Guide may have led Americans into N. Korea," Associated Press, March 25, 2009) Two American journalists detained last week by North Korean soldiers are likely to become bargaining chips for North Korea in its feuds with the outside world, according to analysts and politicians in South Korea. Laura Ling and Euna Lee, reporters working for Al Gore's San Francisco-based Current TV, were seized at 3 a.m. March 17 after walking from China across the shallow Tumen River into North Korea, according to a report in *JoongAng Ilbo*, a newspaper in Seoul. The newspaper, citing intelligence sources in the South Korean government, said the two women have been moved to Pyongyang, North Korea's capital, where they were being interrogated as possible spies. The United States has been assured by North Korea that the journalists will be treated well, State Department spokesman Robert A. Wood said Tuesday. He added that although the U.S. government was aware of news reports saying the two had been charged with espionage, the North Korean government has told Washington only that they are being held on charges of having crossed "illegally" into the country. "Two Americans were detained on March 17 while illegally intruding into the territory" of North Korea by crossing its border with China, said a report Saturday by the official state news agency. "A competent organ is now investigating the case." No matter what charges are made against the journalists, North Korea will probably use them -- and the timing of their release -- as leverage in negotiations with the United States and other countries over aid, nuclear weapons and, most urgently, the planned test launch in early April of a long-range missile, several analysts said. A U.S. official Wednesday confirmed reports that North Korea had moved the missile onto the launch pad. "They do become bargaining chips," said Andrei Lankov, a professor of North Korean studies at Kookmin University in Seoul. The two journalists interviewed Lankov shortly before they traveled to the North Korean border. "North Korea will send them home, but it will not happen quickly," Lankov said. "The North Koreans want to show the world that illegally crossing their border will not be tolerated and they want to squeeze political and financial concessions from the United States." Koh Yu-whan, a professor of North Korean studies at Dongguk University in Seoul, called the capture of the two Americans an "unexpected" new negotiating card in the missile dispute. "North Korea is likely to make the most of this opportunity, especially prior to launching their rocket," Koh said. "This new card can be used for multipurpose tactics." Koh said the release of the journalists is highly unlikely until after the missile launch, as the North will probably want to use custody of the two women to put pressure on the United States to soften its complaints. Other North Korea watchers in Seoul said that North Korea could try to use the release of the journalists as a way to improve rocky relations with the United States. "If North Korea offers to release the two reporters safely and quickly, it would be interpreted as a friendly gesture to the American public," said Hong Jung-wook, a

ruling party lawmaker and member of a committee for improving Korean relations. (Blaine Harden, "For North Korea, a Pair of Bargaining Chips," *Washington Post*, March 26, 2009, p. A-12) "The illegal entry of U.S. reporters into the DPRK and their suspected hostile acts have been confirmed by evidence and their statements, according to the results of intermediary investigation conducted by a competent organ of the DPRK. The organ is carrying on its investigation and, at the same time, making a preparation for indicting them at a trial on the basis of the already confirmed suspicions. While the investigation is under way consular contact is allowed and the treatment of U.S. reporters, etc.. are given according to the relevant international laws." ("KCNA Report," March 31, 2009) The reporters will stand trial on June 4, KCNA announced. (Kim Hyun, "North Korea Sets Trial Date for Two U.S. Reporters," *Yonhap*, May 14, 2009) Laura Ling's sister says the two American journalists briefly touched North Korean soil before they were captured and detained for months in that communist country. "She said that it was maybe 30 seconds and then everything got chaotic. It's a very powerful story, and she does want to share it," Lisa Ling told CNN yesterday. (Associated Press, "Ling's Sister: Journalist Touched North Korea Soil, August 7, 2009) Ling/Lee op-ed: "We arrived at the frozen river separating China and North Korea at 5 o'clock on the morning of March 17. ... Now our guide, a Korean Chinese man who often worked for foreign journalists, had brought us to the Tumen River to document a well-used trafficking route and chronicle how the smuggling operations worked. There were no signs marking the international border, no fences, no barbed wire. But we knew our guide was taking us closer to the North Korean side of the river. As he walked, he began making deep, low hooting sounds, which we assumed was his way of making contact with North Korean border guards he knew. ... When we set out, we had no intention of leaving China, but when our guide beckoned for us to follow him beyond the middle of the river, we did, eventually arriving at the riverbank on the North Korean side. He pointed out a small village in the distance where he told us that North Koreans waited in safe houses to be smuggled into China via a well-established network that has escorted tens of thousands across the porous border. Feeling nervous about where we were, we quickly turned back toward China. Midway across the ice, we heard yelling. We looked back and saw two North Korean soldiers with rifles running toward us. Instinctively, we ran. We were firmly back inside China when the soldiers apprehended us. Producer Mitch Koss and our guide were both able to outrun the border guards. We were not." (Laura Ling and Euna Lee, "Hostages of the Hermit Kingdom," *Los Angeles Times*, September 2, 2009)

3/20/09

North Korea told South Korea it will normalize their severed military communication channel as a U.S.-South Korean military drill ended, but the future of a joint industrial complex is uncertain amid the North's ban on border crossing. North Korea initially cut off the only remaining phone and fax channel and shut the border as a U.S.-South Korean military exercise got underway on March 9. It said the suspensions will be effective throughout the joint drill period. As the allies wrapped up their 12-day Key Resolve and Foal Eagle drill, the North Korean military sent a letter to South Korea saying it will restore the communication channel. But it made no mention about whether border crossings will be normalized. (Kim Hyun, "N. Korea Restores Communication Channel, Future of Joint Complex Uncertain," *Yonhap*, March 20, 2009)

3/24/09

DPRK FoMin spokesman: "Exploring and using outer space for peaceful purposes is a legal right that all countries on earth equally possess. ... The countries which find fault with the DPRK's satellite launch including the U.S. and Japan launched satellites before it. The claim of these countries that the technology involved in the satellite launch is just the same as that used for a long-range missile bespeaks that they developed missile technology before any others and stockpiled more missiles than any others. The brigandish logic that they may launch as many satellites as they please but the DPRK should not be allowed to do so is a revelation of hostility towards it. Their assertion is that those countries hostile to them should not have access to even means for self-defense nor develop anything for peaceful purposes. ... There are not a few countries in the world that launched satellites but the UNSC has never dealt with nor taken issue with the satellite launch by other individual countries because it has no mandate to interfere in the independent rights of the sovereign states to the development and use of outer space for peaceful purposes. The above-said assertion made by those countries is just the same far-fetched assertion that both kitchen knives and bayonets should be targets of disarmament as both are similar to each other. The attempts of Japan and the U.S., the parties to the six-party talks, to deny the DPRK's right to use space for peaceful purposes and **infringe upon its sovereignty as a discriminatory measure diametrically run counter to the "spirit of mutual respect and equality" enshrined in the September 19 joint statement on the denuclearization of the Korean Peninsula.** If such hostile act is perpetrated in the name of the UNSC, this will precisely mean its denial of the said statement. **The abrogation of the said statement would deprive the six-party talks of any ground to exist or their meaning. The six-party talks are now on the verge of collapse due to Japan's non-fulfillment of its commitment,** an intention to delay the denuclearization of the peninsula in a bid to find a pretext for going nuclear. The reality today **when the said talks are in the danger of collapse due to the hostile acts of some participating countries once again testifies to the truth of the DPRK's stand that it cannot abandon its nuclear weapons even in 100 years unless the hostile relations are terminated. The responsibility for the deadlocked talks will rest entirely with Japan, to begin with, and other countries which rejected the 'spirit of mutual respect and equality' enshrined in the Sep. 19 joint statement. If it is impossible to put an end to the hostile relations through dialogue, then there is no other option but to bolster up the muscle to deter the hostile acts.** (KCNA, "Spokesman for the DPRK Foreign Ministry Slams Anti-DPRK Campaign over Its Projected Satellite Launch," March 24, 2009)

A senior South Korean government official recently remarked that **if the U.S. and North Korea speed up too much in bilateral talks, Japan could play a role in "slamming on the brakes."** He appeared to be suggesting that any bilateral negotiations bringing Washington and Pyongyang together after the North has launched a rocket next month could proceed too fast in the direction of normal diplomatic ties for the comfort of South Korea. While is not against direct talks between Washington and Pyongyang, it feels a stop must be put to North Korea's brinkmanship tactics, i.e. to ratcheting up tensions to speak to the U.S. direct and make diplomatic gains. And it is here, the official suggested, that Seoul-Tokyo cooperation comes in. "Japan was once considered a stumbling block to solving North Korean

issues," another South Korean official said. "But now has the most important role." This convergence of interests means Seoul is focusing more than ever on seeking cooperation with Tokyo. The new South Korean nuclear envoy Wi Sung-lac visited Japan as his first stopover after he assumed the post on Mar. 15. The government official added Seoul-Tokyo cooperation is important because "the U.S. has no choice but to listen first to its allies, Japan in particular, no matter how important it is to seek a solution to the North Korean nuclear issue." (*Chosun Ilbo*, "Japan 'Could Become Seoul Ally in N. Korea Issues,'" March 24, 2009)

Gen. Walter L. Sharp, commander of the U.S. Forces Korea, told a House Armed Services Committee hearing, "North Korea's most recent provocative actions are all an attempt to ensure the regime's survival and improve its bargaining position at international negotiations to gain concessions." (Jung Sung-ki, "N.K. Rocket Launch Is Bargaining Tactic," *Korea Times*, March 25, 2009)

North Korea has positioned what is believed to be a Taepodong-2 long-range ballistic missile on the launch pad at a facility in Musudanri, sources close to Japan-U.S. relations said. (Kyodo, "N. Korea Places Taepodong-2 Missile on Launch Pad: Sources," March 25, 2009)

Recently, the Barack Obama administration has become less tough on the launch, urging to refrain from trying to intercept the rocket and revive the stalled missile talks with the DPRK. "Over-reaction would be shooting down the missile, taking out the missile from the launch pad, suspending or terminating the six party talks," said Frank Jannuzi, staff member of the Senate Committee on Foreign Relations and key foreign policy adviser to the Obama administration. "North Korea may be aiming to revive the negotiations stalled at the end of the Clinton administration," Jannuzi said. (Xinhua, "DPRK's Rocket Launch Puts U.S. in Dilemma," March 25, 2009)

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SecState Clinton warned North Korea that the United States would go before the United Nations if Pyongyang launches a missile, saying there would be consequences. "We have been absolutely clear that the intention stated by the North Koreans to launch a missile for any purpose is a provocative act which we believe violates Security Council Resolution 1718," Clinton told a press conference. "We intend to raise this violation of the U.N. Security Council resolution, if it goes forward, in the U.N.," Clinton said during a visit to Mexico City when asked to comment on reports that North Korea had put its rocket on the launch pad. "This provocative action in violation of the United Nations mandate will not go unnoticed and there will be consequences," Clinton said. Clinton linked a missile launch to the future of talks between the United States, North Korea and four other nations aimed at ending North Korea's nuclear weapons program. "We have made it very clear that the North Koreans pursue this pathway at a cost and with consequences to the six-party talks, which we would like to see revived," Clinton said. The Japanese government is readying an order to deploy a missile shield, including interceptors, to protect against debris that might hit Japan. The order is expected today. "We are preparing to do everything we can to protect the safety and lives of the people," said Chief Cabinet Secretary Kawamura Takeo. (*Korea Herald*, "U.S. Plans U.N. Appeal if N.K. Launches Missile," March 27, 2009)

DoS spokesman Gordon Duguid: "Q: Do you have any indication what the North Koreans are planning in terms of the missile launch? There are some U.S. officials who are saying that their equipment is - they're rolling out their equipment, they're getting ready to roll. And then secondly, is there a meeting planned tomorrow between the U.S. envoy and the South Korean envoys on the Six-Party process? **DUGUID:** On a meeting, I was not made aware of one before coming in. I will double check after the briefing and try and get back to you on that. On any particular information that may be available on North Korean plans, I don't have anything that I can share with you. I can, however, repeat what the Secretary has said in Mexico yesterday, that a launch of any type of vehicle we would consider to be in violation of UN Security Council resolutions, and that this provocative type of action would be in violation of those and would not, as the Secretary said, go unnoticed. Q: You say it won't go unnoticed, but I mean, that's a bit flimsy. Are you saying that you're prepared to implement another round of sanctions? Would that be the course that you're going to take? **DUGUID: I'm not going to preview what reaction might occur upon a possible launch by North Korea. However, if we are talking about the facts of a launch, it would be in violation, in our view, of UN Security Council resolutions. Therefore, the place to pursue a reaction would be through the UN Security Council.** Q: But the North Koreans - sorry, one more. The North Koreans are also saying that, you know, if the U.S. prevents a missile - you know, prevents this launch or interferes with it and then takes actions, then they'll definitely pull out of the Six-Party process and they'll also start up their plant. **DUGUID: The attempt to make this a bilateral issue does not work. This is not a bilateral issue.** There is no nation that thinks a launch by the North Koreans is a good idea. And most nations, as far as I'm aware, interpret the UN Security Council resolutions the way we do, that it is a use of dual-use technology that North Korea has been instructed not to engage in. So the idea that somehow this rests on America's shoulders is false. This is the position of the international community and it is one that we firmly uphold. Q: Yeah, but actually, the North Koreans say that if the UN takes sanctions, it would be an hostile action, and then they would withdraw from the Six-Party Talks, which is not bilateral. It's a more general problem. **DUGUID:** I will not try and interpret North Korean statements about the UN being a hostile organization. Q: But what - no, they said it would be a hostile act. But what would be the most important? Would it be to sanction validation of UN Security Council resolutions, or preserve the Six-Party Talks and try to control this North Korean -- What is most important is the denuclearization of the Korean Peninsula. That is what's most important. The United States continues to believe that the Six-Party Talks are the best vehicle to achieve that goal that other actions apart from fulfilling the commitments made by North Korea to the other members of the Six Parties to provide a validation protocol are not productive, are not working towards that goal are a distraction from the real task at hand, which is to provide peace, stability, and some measure of future prosperity to the entire Korean Peninsula. Discussions of this particular declaration by - or the declaration we have through North Korean media of the intentions, possible intentions of the government are not working towards our goal for peace and stability. It is maintaining a positive - sorry, a provocative posture that is simply not helpful for the goal that in the Six-Party Talks all parties agreed that they wanted. Q: I have a few aspects of this I'd like to pursue with you. First, one of the reasons why this issue could conceivably be cast in the minds of some as a bilateral issue is because we see, for



example, Secretary of State Clinton in Mexico City speaking very firmly about the potential consequences for a launch, but we don't see some of the equivalents of the Secretary in the other Six-Party nations making similarly strong statements publicly. So the first question I have for you is whether you are satisfied with the efforts of your Six-Party partners in what they are doing to prevent this event from taking place. ... Another aspect of this is that it arises at a time when the United States has been very public in disclosing that it is considering scrapping its plans for missile defense. And I wonder if an event like this causes those who were making those statements and those judgments to reevaluate, and whether or not an event like this doesn't make you think that a missile defense system might not be a pretty good thing to have. **DUGUID:** The idea that we are scrapping missile defense is not an accurate portrayal of U.S. policy. The accurate portrayal of U.S. policy on missile defense is that it is being looked at for placement in two sites in Europe, in order to counter what we see as an active and growing threat emanating from Iran and the region in the Middle East. It is also the Administration's policy that we will deploy this system as it is proven to be effective both tactically and physically and cost-effective. We have said that should the threat and the assessment of the threat change, at that time, we would look and see if missile defense, as we see it now, still meets our needs. The thing that missile defense must do is protect us and our allies. That is the goal of missile defense. The missile defense deployment that you're referring to is the one in Europe, and we do not see that changing as long as the threat remains the same. **Q:** Well, last question. Does - do the events in North Korea that have provoked such concern here and elsewhere, at all affect the threat assessment that plays into our decisions about missile defense? **DUGUID:** The threat assessment for missile defense as is currently being looked at is one that is based in Europe to protect us and our NATO allies from a threat from a specific region. **The threats that we see in North - in the Korean - on the Korean Peninsula stem from North Korea's pursuit of nuclear weapons. That is real and immediate. The way that we are addressing North Korea's pursuit of nuclear weapons is through the Six-Party Talks. This is a different method from the one that we are currently talking about with missile defense in Europe.** We are engaging the North Koreans. We have worked to try and get the North to abandon its nuclear program. We are daily working with our other five partners - sorry, other four partners in the Six-Party Talks on how to best engage the North and convince them to step back from their provocative stance and return to the discussions.' (DoS, Daily Briefing, March 25, 2009)

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DPRK FoMin spokesman: "As regards the March 24 statement clarifying the DPRK's stand on its satellite launch for peaceful purposes ... we sternly warned that if such hostile act is committed **in the name of the UN Security Council** as to infringe upon the sovereignty of the DPRK while denying its right to peaceful use of space, **it will just mean the UNSC's denial of the September 19 joint statement.** Some media are, however, releasing reports with **a deliberate misinterpretation that the hostile act of the UNSC would be confined only to such strong measures as application of "sanctions" and adoption of "a resolution" against the DPRK.** Lurking behind this is a foolish ploy of the hostile forces to blame the DPRK's satellite launch in the name of the UNSC and avoid its consequences under any circumstances. We would like to remind once again that there are not a few countries in the world that launched

satellites but the UNSC has never dealt with nor taken issue with the satellite launches by other individual countries. **The UNSC's discussion on the DPRK's projected satellite launch for peaceful purposes itself, to say nothing of its adoption of any document containing even a single word critical of the launch whether in the form of a 'presidential statement' or a 'press statement,' will be regarded as a blatant hostile act against the DPRK. The moment the September 19 joint statement is ignored due to such act the six-party talks will come to an end, all the processes for the denuclearization of the Korean Peninsula, which have been pushed forward so far, will be brought back to what used to be before their start and necessary strong measures will be taken.**" (KCNA, "DPRK's Stand on Satellite Launch for Peaceful Purposes Re-Clarified," March 26, 2009)

Director of National Intelligence Dennis Blair told reporters North Korea is using its upcoming space launch as a cover for its intercontinental ballistic missile program. "I think that North Korea is attempting to demonstrate an ICBM capability through a space launch. And that's what they're up to - trying to use the rationale of a legitimate space launch for a missile, which is in its foundation a military missile," he said. Blair said that there are still massive food shortages in North Korea and that the government hoards much of it for the ruling elite. But, he added, do not look for the government there to collapse anytime soon. "I don't think that the lack of food is a threat to that regime. The authoritarian techniques of the Kim dynasty are pretty effective in using both rewards and fear to maintain personal control." (Gary Thomas, "U.S. Intelligence Chief: Mexico Will Not Become 'Failed State,'" VOA News, March 26, 2009)

The U.N. Human Rights Council deplored "grave, widespread and systematic human rights abuses in the Democratic People's Republic of Korea (DPRK), in particular the use of torture and labor camps against political prisoners and repatriated DPRK citizens," and extended the mandate of its special rapporteur. The Geneva forum, which has 47 member states, adopted a resolution presented by the European Union and Japan and backed by South Korea. Six states, including China, Russia and Cuba, voted against the resolution which passed with 26 votes and 15 abstentions. The EU-Japan resolution expressed deep concern at unresolved cases of foreign nationals abducted by North Korea. The text voiced alarm at the "precarious humanitarian situation" and urged Pyongyang to ensure "full, rapid and unimpeded access" of aid that is delivered on the basis of need. (Stephanie Nebehay, "U.N. Rights Body Deplores Widespread Abuses in N. Korea," Reuters, March 26, 2007)

3/27/09

While North Korea has been making missiles to intimidate its neighbors for nearly half a century, what makes this launch particularly worrying is the increasing possibility - as assessed by U.S. intelligence and some independent experts - that it has built or is attempting to build nuclear warheads small enough to fit atop its growing number of missiles. North Korea "may be able to successfully mate a nuclear warhead to a ballistic missile," Lt. Gen. Michael D. Maples, director of the Defense Intelligence Agency, said this month in testimony prepared for the Senate Armed Services Committee. David Albright, a physicist and nuclear weapons expert who runs the Washington-based Institute for Science and International Security, has written that North Korea is "likely able to build a crude nuclear warhead" for its midrange missiles that target Japan.

Experts agree that North Korea is probably years away from putting nuclear warheads on long-range missiles that could hit the United States. The country's founding dictator, the late Kim Il Sung, created a military academy 44 years ago to "nurture" missile builders, ordering them to make weapons that could strike Japan and "prevent" the United States from meddling on the Korean Peninsula. The North has built more than 200 Nodong missiles capable of hitting most of Japan. North Korea says it plans to put a communications satellite into orbit, but that claim is widely viewed as a pretext for testing an intercontinental ballistic missile, the Taepodong-2. The U.S. director of national intelligence, Dennis C. Blair, told a Senate committee that a three-stage missile of this type, if it works, could strike the continental United States. "Most of the world understands the game they're playing," Blair said, adding that North Korea "risks international opprobrium and hopefully worse" if the launch proceeds. The governments of South Korea and Japan both say North Korea has not succeeded in miniaturizing nuclear warheads. But Japan's Defense Ministry has concluded that the North may be getting close. "We cannot deny that North Korea will probably be able to do that in a short period of time," said Suzuki Atsuo, director of the ministry's defense intelligence division. And South Korean FM Yu Myung-hwan told reporters that North Korea's push to develop "long-range missile capability after a nuclear test is literally [making] weapons of mass destruction." North Korea's test of a nuclear device in 2006 produced such a small explosion that it was probably only a partial success, according to Theodore Postol, a professor of science, technology and national security policy at the Massachusetts Institute of Technology. Based on this one test of a nuclear device, Postol said, it is "not credible" that North Korea could have succeeded in less than three years in miniaturizing "an advance design" nuclear warhead. But he said there is a remote possibility that North Korea has made a warhead of an untested crude design that could produce a relatively small nuclear explosion, akin to its 2006 test. It would be the equivalent of exploding several hundred tons of TNT, as compared with the exponentially more destructive 25-kiloton blast of an advanced nuclear warhead. Postol estimates that it is possible for North Korea to make a warhead that is small and light enough to be mounted on a Nodong missile, which has a diameter of about four feet and can carry a payload of about 2,200 pounds. "It would be a very inefficient way to use a weapon," he said. "But if you are desperate enough, I think such a weapon would certainly have deterrent capability. Tokyo is a large enough target to be relatively sure that a non-full-yield weapon would still cause tremendous death and destruction." (Blaine Harden, "North Korea Nuclear Test a Growing Possibility," *Washington Post*, March 27, 2009, p. A-1)

Japan began deploying Patriot guided-missile fire units to several locations this evening in response to the government's decision to intercept a North Korean rocket in case its launch fails and it falls onto Japanese territory. It is the first time that Japan's antiballistic missile shield has been mobilized to intercept a rocket or its debris since the country began building it in 2003 to counter ballistic missile threats. At Iruma Air Base in Saitama Prefecture, north of Tokyo, a fire unit capable of launching Patriot Advanced Capability-3 missiles left for locations in and around the capital, including the Defense Ministry headquarters near the Imperial Palace, ministry officials said. Two fire units based at Hamamatsu Air Base in Shizuoka Prefecture will be moved to northeastern Japan by Monday -- one to the city of Akita, Akita Prefecture, and the

other to a village near Morioka, Iwate Prefecture, the officials said. Chief Cabinet Secretary Kawamura Takeo said this afternoon that the guided missiles are also being deployed to the Tokyo region just in case, because it has "the highest density of population." Meanwhile, the Maritime Self-Defense Force on Saturday will send two Aegis destroyers capable of launching Standard Missile-3 interceptors to the Sea of Japan from their home port of Sasebo, Nagasaki Prefecture, MSDF officials said. Earlier today, Defense Minister Hamada Yasukazu ordered the Self-Defense Forces **to destroy a North Korean projectile or its debris if it threatened to fall onto Japan.** Under Japan's missile shield, the sea-launched SM-3 missile will intercept a warhead outside the earth's atmosphere. If it misses the target, the ground-launched PAC-3 missile will intercept the payload as it reenters the atmosphere. (Kyodo, "Japan Begins Deploying Patriot Missiles Ahead of N. Korean Rocket Launch," March 27, 2009) Technologically, Japan currently does not possess the capability to shoot down an ICBM heading toward the United States. A former researcher for NASA said that U.S. spy satellites monitoring the launch have not been updated with sufficient information on the Taepodong-2 missile, making a successful interception difficult. "Russian and U.S. spy satellites can instantly identify and provide data on rockets they have monitored in the past – similar to matching fingerprints," he said. "But since there isn't any data on the North's Taepodong-2, intercepting it won't be easy." A successfully launched long-range ballistic missile heading from North Korea toward U.S. territory would fly over Japan at an altitude of around 1,000 km, far out of reach for an SM-3 and its range of 100 km. "But if the missile flew toward Japan, I believe we have a fair chance of knocking it down, as long as it follows a normal trajectory," military analyst Ogawa Kazuhisa said, warning the risk of failure would increase if the missile were on an abnormal trajectory due to a malfunction or other unexpected cause. If the missile instead disintegrated in midair while heading over Japan – which would be highly unlikely – most of the debris would burn up before reaching the ground, he added. When North Korea tested a Taepodong-2 in 2006, it failed within seconds after its launch. If the upcoming launch succeeds, it will prove the North's capability of firing an ICBM with an estimated range of 6,000 km, which could potentially reach Alaska or Hawaii. It will also boost the North's nuclear threat. If Pyongyang develops the technology to build nuclear warheads that weigh less than the Taepodong-2's estimated maximum payload of 1,000 kg, parts of the U.S. would be theoretically in danger. One of the zones lies in waters less than 120 km from Japan's northwestern coast. "The only difference between firing a (rocket carrying a) satellite or a missile is that a missile will need to re-enter the Earth's atmosphere, requiring its warhead to be equipped with sufficient heat-protection technology, which I doubt the North has," a former NASA researcher said. (Alex Martin, "When Push Comes to Shove, Can Japan Shoot Down Missile?" *Japan Times*, March 27, 2009)

*Chosun Sinbo*: "The DPRK has laid out its principled position as to how it will cope with the international situation that will develop after its launch of an artificial satellite. **It does not seem to have any intention of making a diplomatic deal to avoid confrontation by looking away from hostile acts detrimental to its peaceful development of the country.** ... What the DPRK says is equal to stating that **it would regard the development of events following the launch of 'Kwangmyo'ngso'ng-2' as a process of weighing the effectiveness of the six-party paradigm.** ... In case

the commotion of sanctions gets repeated, forgetful of history, an ultra-hard line from the DPRK could once again be provoked. **In retrospect, the Six-Party Talks were resumed two months after the DPRK had conducted a nuclear test. The United States ultimately chose a line that was different from the UN Security Council resolution. Its intent to discuss the 'lifting of sanctions' and the 'settlement of the issues via dialogue' was put across to the DPRK side through a diplomatic channel.** In fact, for about two years since then, the Bush regime kept the six-party paradigm in place, even while suffering from vicissitudes, and took action measures, including the removal [of the DPRK] from the list of 'state sponsors of terrorism' and others. ... Although countries participating in the Six-Party Talks save the DPRK are engaged in multilateral discussions at the final stage to prepare measures to be taken following the launch of an artificial satellite, they show "differences" rather than "unity." What is noteworthy is the kind of judgment the Obama regime - which has explained that it was "in the process of reviewing" its policy toward the DPRK -- would make. **The optimistic view -- that even after the DPRK is 'condemned' in the name of the UN Security Council, it would be possible to bring the situation under control after a 'certain cooling period' -- is dangerous. To begin with, the DPRK may not have in mind any diplomatic deal aimed at avoiding confrontation. If the Obama regime intends to keep the channel of dialogue with the DPRK open, it would be a wise option for it to avoid overreacting and to take coolheaded measures to deal with the situation that will develop in the future.** However, in Japan, an ally of the United States, the government and media are so blinded by hostility toward the DPRK that they are in no position to see things objectively. **Even after the DPRK's launch of an artificial satellite, countries concerned would keep making diplomatic efforts, but the reaction from each of them undoubtedly will serve as an opportunity to measure their will to fulfill the promises made at the Six-Party Talks. The outcome will have a great deal of influence on the future situation.**" (Kim Chi-yong, "UN Security Council's Discussion of DPRK's Satellite Launch, an Opportunity To Tell Will To Honor Commitment to Six-Party [Talks]," *Chosun Sinbo*, March 26, 2009)

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U.S. and Japanese envoys to the six-party North Korean disarmament negotiations have begun consultations in Washington ahead of the communist regime's expected missile launch. "All issues concerning North Korea will be part of our discussion with the Japanese," State Department spokesman Robert Wood told AFP. He confirmed that Stephen Bosworth, the new U.S. envoy on North Korea, and Sung Kim, the representative to the disarmament talks, began meeting with the Japanese envoy, Saiki Akitaka. (AFP, "Japan, U.S. Envoys in Talks on N. Korea," March 27, 2009) "We will immediately discuss the matter at the U.N. Security Council," Saiki told reporters after talks with his U.S. and South Korean counterparts in Washington, according to Kyodo. South Korean envoy Wi Sung-lac reaffirmed Seoul's position that a North Korean rocket launch would violate the U.N. resolution "no matter what" is "on the top" of the rocket, South Korean news channel YTN reported. Wi and Saiki held separate meetings with Bosworth, and with Sung Kim, the U.S. envoy who handles day-to-day dealings with the North. "We've discussed ways to deal with (the rocket issue) at the U.N. Security Council, resume six-party talks and so on," Wi said after meeting with Bosworth and Kim for two hours, Yonhap reported. U.N. Secretary-General Ban Ki-moon said in Moscow the launch would "complicate" stability in Northeast Asia, RIA-

Novosti reported. "I'm worried about North Korea's steps toward launching a satellite or rocket. This will have great complications for peace and stability in the region," he said, according to RIA-Novosti. (Kwang-tae Kim "Report: North Korea Launch Would Go before U.N.," Associated Press, March 29, 2009)

3/28/09

Envoy Stephen W. Bosworth, a well-regarded Korea expert, is also dean of the Fletcher School of Law and Diplomacy at Tufts University in Massachusetts. He said in an interview that he is not giving up his deanship and is "planning on spending a day or two in Washington every week or two and probably a week every four to six weeks, depending upon the pace, in Asia." That arrangement has concerned a number of North Korea experts, who fear that a part-time position both diminishes the job and sends the message that the Obama administration has essentially decided it will manage the North Korea issue, rather than attempt to resolve it. "Steve Bosworth is a highly capable diplomat with exactly the right experience to take this on, but there are already grumblings in Tokyo and Seoul that Washington is only interested in containing the problem," said Michael J. Green, who was the top Asia adviser in the White House during the Bush administration. "I think the real test will not be whether Ambassador Bosworth is full time, but how the administration responds to North Korea's likely missile test in April. Japan and [South] Korea want a firm response, but China is balking this time. A tepid response at the Security Council would confirm the worst suspicions about the administration's intentions." Mitchell B. Reiss, who once served as a part-time special envoy for the Irish peace process, said Bosworth's distance from Washington may be an advantage. "It gives you a better perspective, and you do not get nibbled to death by bureaucratic details and minutiae," he said. "Northern Ireland is very different than North Korea, and I'm very pessimistic." "I will not be the day-to-day representative in the six-party negotiations," Bosworth said, adding that he will focus more on broader policy issues, including bilateral negotiations with North Korea. "Ideally one would like to meet with the leader," Kim Jong-il, he said. "I would like to reach higher in the foreign ministry than we have been able to." The new envoy said key periods when he must be at the school are fairly predictable. "A lot of what I do for Fletcher, I can do on the road," he said. "I don't see a major problem. I think that it is manageable. I am fortunate in that I have extremely good people in both operations, and I will rely heavily on them." Bosworth said it was a surprise to him when Clinton called and offered the job. By coincidence, he was visiting North Korea when rumors began circulating that he would be tapped. "As I told the North Koreans, I had not had a single conversation with anyone in the Obama administration about anything. But as soon as I returned from Beijing, I was asked to call the State Department and ended up talking to the secretary," he said. "She was very explicit that, in her view, this could be done in coordination with the deanship." The six-nation talks have been stalled for months over a dispute about North Korea's verification procedures. Last October, President George W. Bush removed North Korea from the list of state sponsors of terrorism, thinking he had a deal on verifying North Korean nuclear claims, but Pyongyang later said there was no such agreement. "We have got to deal with it," Bosworth said, referring to the North Korean nuclear arsenal. "It has strategic urgency. You can't simply let it cool, not only because of its implications for us but also because of its implications for countries in the area, including our two allies [Japan and South Korea]. So we've got to be seen to be

dealing with this. That being said, it sure is not easy." (Glenn Kessler, "Envoy's Status Raises Eyebrows," *Washington Post*, March 28, 2009, p. A-7)

U.S. President Barack Obama decided to include the North's rocket launch in the main agenda of his summit April 2 with China's Hu Jintao. "President Obama will touch upon economic cooperation a great deal, and he wants to discuss our shared concerns about preparations in North Korea for a launch that the United States would consider to be counter to the U.N. Security Council Resolution 1718," Denis McDonough, the National Security Council's director of strategic communications, said when outlining the agenda of the meeting to be held on the sidelines of the G20 economic summit in London next month. (*Dong-A Ilbo*, "'N.K. Launch to Be Brought to U.N. Security Council," March 30, 2009)

3/29/09

Taking a tougher line against North Korea in response to any testing of a long-range missile would be counterproductive for Seoul, according to President Lee Myung-bak. Lee told the *Financial Times* that he intended to keep open a jointly run industrial enclave in order to foster dialogue even if, as is expected, Pyongyang test fires a long-range missile in coming days. The president conceded that Japan, which has warned it may shoot down the rocket, had every right to protect its citizens but cautioned against any broader military response. He said Seoul would maintain its "pragmatic and realistic response" and vowed to keep open an offer of humanitarian aid. Pyongyang has threatened to test a rocket between April 4 and 8. "Our ultimate objective is to convince North Korea to give up its nuclear weapons and usher in an era where the two Koreas are able to co-exist. For us to go the other way, taking a harder stance, I don't think that would be helpful in achieving that ultimate objective," he said. Conservative analysts have urged Seoul to punish Kim Jong-il's dictatorship for its belligerence by shutting South Korea's industrial zone at Kaesong in North Korea, starving the reclusive state of much-needed foreign currency. But Lee rejected that, and said: "The Kaesong industrial complex is one conduit for us to keep that window of dialogue open." He added: "We are not antagonistic or inflexible when it comes to the North Koreans." Events could overtake Lee since his government has pledged to join the US in pushing for UN action if a rocket were fired. That could make it harder to keep the industrial zone open and fragile bilateral ties alive. "If North Korea continues to take such extreme positions and actions we will have to tailor our response," he said. "A majority of Korean people look at the situation now and what do we have? What we have is North Korea still pursuing a path towards a nuclear-weapon state. So the majority of people's trust in North Korea has gone down considerably." (Christian Oliver, David Pilling and Song Jung-a, "Seoul rules out tougher line on North," *Financial Times*, March 30, 2009, p. 4)

The United States has no plans for military action to pre-empt the launching of a long-range missile by North Korea and would act only if the missile or its parts appeared to be headed toward American territory, Defense Secretary Robert M. Gates said on "Fox News Sunday." He said, "I don't know anyone at a senior level in the American government who does not believe this technology is intended as a mask for the development of an intercontinental ballistic missile." Even so, Gates said the United States had no plans to take military action to halt the launching or to shoot down the

missile in flight – with one exception. “If we had an aberrant missile, one that was headed for Hawaii, that looked like it was headed for Hawaii or something like that, we might consider it,” he said. (Thom Shanker, “No U.S. Plans to Stop Korea on Missile Test,” *New York Times*, March 30, 2009, p. A-10)

3/30/09

North Korea held a South Korean employee of Hyundai Asan, later identified as Yu Song-jin, for allegedly criticizing its regime and urging a female North Korean worker in Gaeseong to defect to the South, the Unification Ministry said. Pyongyang notified Seoul by fax message at 11:50 a.m. (Ki Ji-hyun, “N. Korea Detains Hyundai Asan Worker,” *Korea Herald*, March 31, 2009)

South Korea, the U.S. and Japan will refer North Korea to the U.N. Security Council should it go ahead with a rocket launch, Seoul's nuclear envoy said, but others noted the possibility of further sanctions remained in question without commitments from China or Russia. “We are continuing diplomatic efforts based on a firm South Korea-U.S. cooperation and a consensus among participants of the six-party talks,” Wi Sung-lac told South Korean correspondents here. “We've discussed ways to tackle North Korea's rocket launch **and proceed with the stalled six-party talks.**” Wi was explaining his meetings with Stephen Bosworth, the U.S. pointman on North Korea, and White House and congressional leaders on North Korea's missile and atomic programs, which he has been holding since March 28. The South Korean envoy is expected to head home tomorrow, winding up his five-day trip here. Wi's schedule included the first tripartite meeting with his counterparts from Washington and Tokyo since he and Bosworth took their posts last month. A senior South Korean official traveling to Washington said on condition of anonymity that China and Russia differ from South Korea, the U.S. and Japan in their position on the North Korean rocket launch, “although we need to wait and see how different their positions will be.” The South Korean official said, “We are open to every possibility” in the Security Council discussions, including **a resolution with or without sanctions or a chairman's statement without specific sanctions.** The coordinated position of South Korea, the U.S. and Japan is that any launch of a rocket by the North would be grounds for further sanctions.” North Korea is the only country subjected to sanctions under a U.N. resolution for its launch of a rocket for satellite delivery,” the official said. “That's because North Korea is believed to possess nuclear warheads.” The Seoul official expected that the launch would eventually lead to talks to address North Korea's missile capability, although it is not clear at the moment whether the missile talks would be incorporated into the current six-party framework. “All the participants in the six-party talks need to agree on taking it as a full agenda if it is to be officially included,” the official said. U.S. Secretary of State Hillary Clinton has suggested initiating missile talks with North Korea, while some experts have suggested that Washington pay up to US\$1 billion annually in compensation if the North halts its long-range missile exports, deployment and development. The official predicted that the six-party talks would resume after a cooling-off period following the North's rocket launch, although the launch and ensuing security council sanctions may have an adverse impact in the short term. “We have a precedent in which six-party talks resumed in a fairly short period of time of a few months after North Korea conducted its nuclear test in 2006 to agree to a nuclear deal,” the official said. (Hwang Doo-hyong,



"N. Korea to Face Security Council over Rocket Launch amid Differences: Officials,"  
Yonhap, March 30, 2009)

While a successful satellite launch would demonstrate the mastery of some missile technologies, it wouldn't necessarily demonstrate the ability to launch a heavy payload over a long distance. The launcher North Korea plans to use, called the Unha-2, is commonly believed to be derived from the Taepodong-2 missile that Pyongyang began developing in the 1990s but has never successfully launched. In preparation for the launch, North Korea recently announced the location of public hazard zones for shipping and aviation. These zones are the regions where the first two stages of the launcher are expected to fall into the ocean. The number and location of these zones indicate that the launcher will have three stages (if the launch is successful, the third stage will remain in orbit with the satellite) and that the launch direction will be due east. This direction is consistent with a satellite launch since the launcher gains speed from the Earth's rotation. (In this case, it would gain about 5 percent of the speed it needs to place a satellite in orbit.) The launch direction will take the launcher over the Pacific Ocean and in the general direction of Hawaii, but not toward the continental United States. Unfortunately, it will also take the launcher over the northern tip of the main Japanese island of Honshu early in flight--a trajectory that has upset Japan. The large first stage of the Unha-2 launcher is new, and North Korea hasn't successfully flight-tested it. The only previous flight test was in July 2006 when the first stage failed approximately 40 seconds into the launch, causing the launcher to crash a few kilometers from the launch site. The first stage is believed to have a diameter of 2.25 meters and may use a cluster of four engines, each similar to the single large engine used in North Korea's Nodong missile, which has a diameter of 1.25 meters. By clustering four engines, North Korea could use an existing engine to develop a stage with four times the thrust of the Nodong; Pyongyang also would be following a development path used by other countries in building larger rocket stages. The second stage may use a single Nodong engine or an engine of similar capability, modified to be used at high altitude. Some experts believe this stage may use a modified engine from a Soviet SA-5 surface-to-air missile.<sup>2</sup> Unlike the Scud engine, it's possible to vary the thrust of this engine while it is operating, potentially allowing the boost phase of the missile to include a long, low-thrust phase characteristic of a satellite launch. The third stage of the launcher probably has a mass of about 1 ton and may use solid fuel, as was reported for the third stage of the TD-1 during its August 1998 launch. Based on these assumptions, the Unha-2 would have a launch mass of about 80 tons and may have the capability to place a payload of about 100 kilograms into orbit at 400-kilometers. If launched on a ballistic missile trajectory, a missile with these characteristics would be able to carry a 500-kilogram payload approximately 9,000 kilometers and a 1,000-kilogram payload approximately 6,000 kilometers. Since it likely would be difficult for North Korea to build a first-generation warhead and heat shield with a mass of 500 kilograms, this wouldn't represent a true intercontinental nuclear capability. Moreover, the structural strength and mass distribution of this missile may not be compatible with placing a much larger payload on it. Thus, significant modifications may be required to use it as a ballistic missile. Nonetheless, a successful launch would demonstrate important technical capabilities. A caveat, though: These estimates depend on the assumptions presented above, which may

prove to be incorrect. (David Wright, "Examining North Korea's Satellite Launch Vehicle," *Bulletin of the Atomic Scientists*, March 24, 2009) David Wright and Ted Postol: "The Unha launcher appears to be constructed from components that probably weren't manufactured in North Korea. It's likely that these critical rocket components were acquired from other countries, most notably Russia, although likely without the involvement of the Russian government. If these guesses are true, it could mean that North Korea's indigenous missile capability could be significantly constrained if Pyongyang is denied further access to such components. ...Overall, the launcher has a length of roughly 30 meters and a mass of 80-85 metric tons. We believe the first stage uses a cluster of four Nodong engines housed in a single missile casing and sharing a common fuel tank. The Nodong engine is essentially a scaled-up version of the engine used in the Soviet Scud-B missile. This engine is likely of Russian origin. The video shows the first 20 seconds of the launch. By measuring the distance the launcher moves as a function of time in these videos, we determined the thrust-to-weight ratio of the Unha vehicle at launch. Using estimates of the mass of the Unha launcher, we then estimated the thrust at liftoff generated by the engines. The sizes and shapes of stages two and three are completely consistent with known stages from other rockets. Both stages appear to use technology that's more advanced than North Korea has used in previous launches. The second stage appears identical to the single-stage Soviet R-27 sea-launched ballistic missile, called the SS-N-6 in the United States, which the Soviet Union first deployed in 1968. There have been reports for years that North Korea had acquired some number of SS-N-6 missiles in the 1990s and was modifying them for use as an intermediate-range missile. Reports also have stated that in 2005 Iran bought 18 SS-N-6 missiles from North Korea. The SS-N-6 uses liquid fuels (unsymmetrical dimethylhydrazine and nitrogen tetroxide) that are more advanced than those used in the Scud-B; therefore, it has a high thrust for its size. Since it was designed for a submarine, the missile has a compact design with a lightweight aluminum casing; it is reported to have a range of 2,400 kilometers with a 650-kilogram warhead. ...North Korea's use of this stage would explain why the Unha-2's second-stage diameter is smaller than the first-stage diameter. The diameter of the first stage is determined in part by the volume of fuel it must carry. Designing a second stage with the same diameter would reduce the structural mass of the second stage compared to a longer, thinner stage. But if North Korea utilized an existing, advanced missile body with a lightweight structure for this stage, this design decision would make sense. The third stage appears to be very similar, if not identical, to the upper stage of the Iranian Safir-2 launch vehicle, which placed a small satellite in orbit in February. ...The size and mass of the North Korean satellite aren't known. ...If the Unha-2 was designed to launch a relatively lightweight satellite, its structure may not allow it to carry a 1,000-kilogram warhead. If it could, we estimate that it could have a range of 10,000-10,500 kilometers, allowing it to reach Alaska, Hawaii, and roughly half of the lower 48 states. If a 1,000-kilogram payload were instead launched by the first two stages of this missile, it would have a range of 7,000-7,500 kilometers. This would allow it to reach Alaska and parts of Hawaii, but not the lower 48 states. ...The launch direction was nearly due east, which is consistent with a satellite launch since it allows the launcher to gain maximum speed from the Earth's rotation. But this direction raised concerns in Japan since it carried the second and third stages of the launcher over the relatively sparsely populated northern end of the main Japanese island of Honshu

early in flight. ... The locations of the splashdown points of the first two stages reported in the Japanese press and by the Japanese Defense Agency indicate that both stages fell within the announced splashdown zones, suggesting that these stages worked essentially as planned. However, both stages apparently landed near the front edges of those zones, which may suggest that the thrust was somewhat lower than expected or that the guidance system didn't place the launcher on the planned trajectory. The first stage reportedly fell into the Sea of Japan 540 kilometers from the launch site and 300 kilometers from Japan. The second stage successfully ignited and separated from the first stage, carrying the rocket over Japan at an altitude of about 400 kilometers. The only previous time North Korea had demonstrated the ability to separate and ignite an upper stage was during its unsuccessful August 1998 attempt to place a small satellite in orbit with its Taepodong-1 launcher. Japanese reports state that the second stage splashed down in the Pacific Ocean approximately 3,200 kilometers from the launch site, although one report cites U.S. officials saying that it landed 600-700 kilometers further. The second stage was on a trajectory that reportedly carried it to a maximum altitude of 485 kilometers. ...The third stage may have separated from the second stage, but it apparently didn't ignite and fell into the Pacific Ocean with the satellite it was carrying, near where the second stage splashed down. If the third stage had ignited, Japanese sensors were in a good position to see it as it passed over Japan. ...While Pyongyang has demonstrated the ability to launch rockets of increasing range over the past 20 years, this progress may have depended strongly on foreign assistance and technology. If true, North Korea may face important limits on its program. ...Moreover, if North Korea's missile program depends on a stockpile of components that it has acquired from abroad, then this would imply that North Korea's domestic missile development program is much more limited than is commonly assumed, and that North Korea understands it has a dead-end program if its supply of these components is limited. In that case, North Korea may have a much higher incentive to negotiate its missile program away than is commonly assumed." (David Wright and Theodore A. Postol, "A Post-Launch Examination of the Unha-2," *Bulletin of the Atomic Scientists*, June 29, 2009)

3/31/09

KCNA: "The U.S. imperialists and the south Korean puppet military warmongers perpetrated intensive aerial espionage against the DPRK in March by massively mobilizing strategic and tactical reconnaissance planes with various missions, according to a military source. The U.S. imperialist aggressor forces committed more than 110 cases of aerial espionage and the south Korean puppet forces at least 80 cases, bringing the total number of cases to more than 190. They let U-2, RC-7B, RC-12, RC-800, RF-4C and E-3 fly everyday for frantic aerial espionage against the DPRK from March 9 to 20. At least 20 cases of aerial espionage were perpetrated by U-2 of the U.S. imperialist aggressor forces present in south Korea. RC-135 of the U.S. imperialist aggressor forces made shuttle flights from the air over waters off Musudan, North Hamgyong Province, to the air over waters east of Wonsan on March 13, 17 and 22 to perpetrate aerial observation, photographing and electronic espionage against strategic targets in the DPRK. The U.S. imperialists perpetrated the above-said aerial espionage after deploying even 'intercepting' means in the East Sea of Korea, describing the DPRK's projected satellite launch as 'a missile launch.' This is a wanton infringement upon the sovereignty of the DPRK and another dangerous military

provocation to it. **The U.S. imperialist warmongers had better bear in mind that RC-135 and all other spy planes perpetrating espionage against the DPRK are within the range of its strikes.**" (KCNA, "At Least 190 Cases of Aerial Espionage Perpetrated against DPRK in March," March 31, 2009)

An overreaction to the test that prompts the North to abandon the Six-Party Talks would strengthen hardliners in Pyongyang. Taepodong-2 missiles involve an unproven technology and do not represent a significant increase in risk to Japan. **Although North Korea has not demonstrated the capability to assemble a miniaturized nuclear bomb for delivery with a ballistic missile, intelligence sources believe it recently has assembled and deployed nuclear warheads for the Nodong.** [?] North Korea's tested and apparently reliable Nodong missile can already carry a nuclear warhead as far as Tokyo. Pyongyang could also score significant propaganda points if it placed a satellite into orbit before South Korea, which is planning to do so in summer 2009. (Crisis Group, *North Korea's Missile Launch: The Risks of Overreaction*, March 31, 2009) North Korea is believed to have several nuclear warheads that could be mounted on a missile, an international security expert said ahead of a rocket launch that regional powers suspect will test weapon delivery technology. But Daniel Pinkston, a Seoul-based expert for the International Crisis Group, **stressed it is unclear if the communist nation has mastered the technology necessary to miniaturize the warheads and put them on Rodong missiles**, which have a range of 620 to 930 miles (1,000 to 1,500 kilometers). The North is believed to have five to eight warheads, he said. (Hyung-jin Kim, "Expert: N. Korea Has Several Nuclear Warheads," Associated Press, March 31, 2009)

4/1/09

Fueling of rocket begins. North Korea has deployed a fleet of MiG-23 fighter jets to apparently guard against any foreign attempt to intercept its rocket which Pyongyang says will carry a satellite into orbit in days, South Korean officials said. "We are closely monitoring the movement of the jets," a South Korean Air Force commander said by phone. (Sam Kim, "N. Korea Deploys Fighter Jets to Guard Rocket launch: Officials," Yonhap, April 2, 2009)

Japanese PM Aso Taro and South Korean President Lee Myung-bak reaffirmed that if North Korea carries out its planned rocket launch, the issue should be taken to the U.N. Security Council. The two leaders signaled their shared stance at a meeting in London just prior to the start of a two-day financial summit of the Group of 20. (Kyodo, "Aso, Lee Reaffirm Stance on Taking N. Korea Launch to UNSC, April 1, 2009)

Hu and Obama meet on the margins of the G-20 in London. Sanctions sidestepped in background briefing by senior administration official: "President Obama made clear our view that the likely -- expected launch of a missile by the North Koreans we view as a provocative act, as a violation of U.N. Security Council resolutions, and as one that will have an unwelcome impact on stability -- on security and stability interests of the region. He also made clear that we will respond in the event of a launch. The U.N. Security Council is the natural venue for a response since this would be a violation of U.N. Security Council resolutions. And he reiterated our commitment to the six-party process and to denuclearization." (Nelson Report, April 1, 2009)

*Rodong Sinmun* signed commentary: "The south Korean authorities took the lead in crying out for 'sanctions' and 'pressure' through international cooperation, persistently insisting that the DPRK's projected satellite launch is a 'missile launch' though it is for peaceful purposes. Even today when their master flinches, overawed by the principled attitude of the DPRK, they are going mad with a malignant smear campaign against it and confrontation with compatriots. ...The Lee group would be well advised to behave itself, bearing in mind **that its move to fully participate in the PSI** is as foolish an act as precipitating its self-destruction." (KCNA, "Lee Myung-bak Group's Ambition to Invade North Flayed," April 1, 2009)

Having alarmed much of the world with its planned launch of a long-range missile, North Korea is showing no signs this week of wanting anyone to calm down. The government of Kim Jong Il warned in a radio broadcast that its forces "will relentlessly shoot down" U.S. reconnaissance aircraft that monitor preparation for its missile launch, which could occur as early as this weekend. Experts who have examined recent satellite photographs of the rocket said its payload is probably a satellite-like device. "I am estimating a satellite weighing between 330 and 880 pounds," said Theodore Postol, a professor of science, technology and national security policy at the Massachusetts Institute of Technology. (Blaine Harden, "N. Korea Threatens to Down U.S. Spy Plane," *Washington Post*, April 2, 2009, p. A-10)

Mike Chinoy, a senior fellow at the Pacific Council on International Relations, says North Korea knows the United States and its partners have limited options to deal with the launch. "There's no downside, from the North Korean point of view, in trying this," he said. "They know, in the end, there's no appetite for meaningful sanctions on the part of the Chinese and the Russians. Without the Chinese and the Russians, any calls by Japan, South Korea, or the U.S. aren't going to go very far," said Chinoy. Chinoy says the challenge for President Obama is to come up with a response to the launch that appears resolute, but does not damage the possibility of diplomatically engaging North Korea about its nuclear weapons. "If the United States, after this launch, decides to move back toward negotiation - which I think is a sensible and logical thing to do - the optics are going to look very much like the North coerced Washington into coming back to the table, after its display of muscle flexing," said Chinoy. (Kurt Achin, "North Korea Issues Threats in Final Countdown to Rocket Launch," VOA, April 2, 2009)

Sigal, "It's Time for U.S. to Rev up Negotiations with North Korea," *Chicago Tribune*, April 1, 2009)

4/2/09

Japan and the United States plan to shelve their proposal to seek adoption of a U.N. Security Council resolution calling for additional sanctions on North Korea in the event it launches a ballistic missile, U.N. diplomatic sources said. The two countries intend instead to propose a resolution seeking reinforcement of the effectiveness of existing sanctions against Pyongyang, which has said it plans to launch a rocket to put a satellite into orbit between Saturday and Wednesday, the sources said. They apparently determined it would be more meaningful to seek the steady implementation of existing measures under this resolution rather than calling for new sanctions, also taking into consideration the cautious positions of China and Russia.

Beijing and Moscow, both permanent veto-wielding members of the Security Council, have apparently shown reluctance to agree to new sanctions if the launch turns out to be for placing a satellite into orbit. The envisioned resolution to be presented to the Security Council shortly after North Korea actually conducts the launch will say clearly that the action violates past resolutions adopted by the world body, including Resolution 1718, the sources said. **It is expected to avoid directly condemning North Korea by name**, in consideration of China's stance, and instead express concern over launching a missile, they said. (Kyodo, "Japan, U.S. to Shelve Seeking Additional U.N. Sanctions on N. Korea," April 2, 2009)

Obama meets Lee Myung-bak on the margins of the G-20 in London. After the Obama-Lee meeting, the South Korean presidential office issued a statement saying that the two leaders had agreed to keep working on a verifiable dismantling of North Korea's nuclear programs. "They agreed on the need for a stern, united response from the international community if North Korea launches a long-range rocket, and to work together in the course of that," the statement added. The White House had no immediate details on the meeting between Obama and Lee. (Mark Smith, "Obama Takes on North Korea Conflict, Economy," Associated Press, April 3, 2009) Lee's spokesman Lee Dong-kwan said, "The two leaders shared the view that if North Korea launches a missile, the international community should impose sanctions under a 2006 U.N. Security Council resolution prohibiting Pyongyang's nuclear and missile activities." Obama and Russian president, Dmitry Medvedev said in a joint statement issued at the end of their summit, "We expressed concern that a North Korean ballistic missile launch would be damaging to peace and stability in the region and agreed to urge the North to exercise restraint and observe relevant U.N. Security Council resolutions." (Na Jeong-ju, "Lee, Obama Agree on N.K. Sanctions," *Korea Times*, April 2, 2009)

KCNA: "The General Staff of the Korean People's Army in an important report today warned that if hostile forces take any slight move to intercept the DPRK's satellite for peaceful purposes, the KPA will make a prompt just retaliatory strike at it. The report said: It is the Japanese reactionaries, the sworn enemy of the Korean people, who are perpetrating the most evil doings over the DPRK's projected satellite launch for peaceful purposes. It is a legitimate right of a sovereign state in which no one can interfere to use space for peaceful purposes and the above-said satellite launch is a just work for the prosperity of the country and the nation and progress of humankind. Prompted by this, the DPRK has already accessed to the international treaties on space and on March 21 sent cable notices on the issue of banning access to air space to be exposed to danger during the time the launch is expected to the civil aviation authorities concerned including those of the U.S., Japan, Russia, China, Switzerland and south Korea which control or use the relevant air space. The relevant countries are now taking necessary measures after accepting the working steps taken by the DPRK in line with the international regulations and usage. However, only Japan is making much ado as if something serious had happened, finding fault with even the DPRK's above-said advance notice and terming the launch of 'Kwangmyongsong-2,' the DPRK's experimental communications satellite for peaceful purposes, a 'hostile act.' Kongo and Choukai, guided-missile destroyers of the Japanese aggressor forces and the

destroyer Great King Sejong of the south Korean puppet navy have already been deployed in the East Sea of Korea. The Japanese reactionaries, bereft of elementary reason, declared it as a state policy to "intercept" the satellite if the DPRK launches it. The KPA General Staff solemnly declares as follows to cope with the prevailing situation: 1. **If Japan recklessly 'intercepts' the DPRK's satellite for peaceful purposes, the KPA will mercilessly deal deadly blows not only at the already deployed intercepting means but at major targets.** 2. **The U.S. should immediately withdraw its already deployed armed forces if it does not wish to be hurt** by the above-said strike as DPRK clarified its stand on its projected satellite launch for peaceful purposes. 3. The south Korean puppet bellicose forces should refrain from disturbing the said launch, the pride of the nation, while currying favor with their U.S. and Japanese masters." (KCNA, "KOA General Staff Warns against Any Interception of Satellite," April 2, 2009)

4/3/09

Special representative on North Korea Stephen Bosworth: "On the subject of the missile launch, which I suspect is at the forefront of everyone's mind, I really don't have anything new to say. We have continued to press the North Koreans and other countries on the issue of a missile launch. **We take the position, as you know, that it is a violation of UN Security Council Resolution 1718. We have continued to urge, as we urge now, the DPRK not to launch this. Whether it's a satellite launch or a missile launch, in our judgment, makes no difference. It is a provocative act.** And we hope that they will still reconsider and not do this. **If it does occur, we will be continuing to work closely with our partners and our allies in the UN Security Council to consult vigorously on what action might then be appropriate. We believe that a defiance of a UN Security Council resolution is an action that requires that there be some consequences,** and that will be our objective. **At the same time, however, I would also say that we continue to look with great interest, and give great priority, to the need to resume the Six-Party discussions with the goal of the denuclearization - the verifiable denuclearization - of the Korean Peninsula. And that remains, of course, our long-term goal. And we would hope to be able to return to that goal in as reasonable a period of time as possible.** ...**Q:** Zoltan Mikes, World Business Press Online, Slovakia. I would like to ask if you have a set of negative incentives, like a set of punishments, what happens if North Korea do not - do not back up, end their launch? This flight, and if - because the positive ones didn't work in the past, so what do you plan to do if North Korea will go on and they'll provoke? **BOSWORTH:** I really am not going to get into that question in any depth at all, other than to say that we will continue to consult with our partners and the other members of the UN Security Council on what would be an appropriate response. **Q:** Hi, good morning. Tomohiro Deguchi with Kyodo News, Japanese wire. It looks like the North Koreans are trying to link the missile issue and the Six-Party Talk issue. It's - if you bring the missile issue to the UN Security Council, then they are going to leave from the Six-Party Talk framework. And is that your position to - I mean, if they move forward on the denuclearization, are you willing to give them the remaining assistance, which is the Japanese portion, about 200,000 tons? **BOSWORTH:** I'm sorry, the two questions seem conflated somehow. Whether the North Koreans step back from the Six-Party Talks as a result of what might happen in the UN Security Council as a result of their decision to launch a missile is up to the North Koreans. We

can't obviously control that. I would hope that they would not link the two issues because from our point of view, both are important. **With regard to fuel deliveries, that's something we continue to consult with our partners about, and I am confident that when we get back to the negotiating table in the Six-Party process, that we will be able to find solutions to that question.** **Q:** Okay. Hi, Mr. Ambassador. My question is about the UN Security Council discussion and - well, actually, given the fact that North Korea is threatening to withdraw from the Six-Party Talks, do you think - if there's any chance for the U.S. to make a compromise in the discussion to talk them into coming back to the Six-Party Talks? **BOSWORTH:** I really do not want to prejudice the outcome of discussions that may occur in the UN Security Council, so I really can't comment on that. **As I just said, we would hope and believe strongly that everyone has a long-term interest - regardless of this short-term problem, everyone has a long-term interest in getting back to the negotiations in the Six-Party process as expeditiously as possible.** I'm not able to predict when that might occur, but we will be talking vigorously with our partners in the process to try to bring that about. **Q:** Arshad Mohammed of Reuters. Ambassador Bosworth, one, can you tell us how it is that you are urging the North Koreans not to go ahead with this proposed launch? Is it in direct contacts with them in - through the New York channel or otherwise? Or is it simply through intermediaries or is it just the sort of - you know, the comments that we've heard in public from the State Department spokesman and now yourself? And secondly, are you not - you know, the Administration has made very clear from the Secretary on down that a launch would have consequences. Are you not concerned that consequences, whatever they might be, will simply push the North Koreans further away from returning to the Six-Party Talks? **BOSWORTH:** We have been communicating our position to the North Koreans in a variety of ways including most of the ones that you enumerated - through the New York channel, through our partners who are doing so directly, and through our public statements. And my concern that acting to show that there are consequences would have an impact on the Six-Party - on the Six-Party Talks, obviously, there are connections here. But as I said, we believe that one, we have an obligation to demonstrate that there are consequences for the defiance of a UN Security Council resolution, and we believe that a missile launch, satellite launch, whatever it is, is in violation of that resolution. We also believe quite strongly that all parties concerned, including the North Koreans, have an interest in coming back to the table to complete the discussions and the negotiations on the denuclearization of the Korean Peninsula. **Q:** My name is Ai Awaji. I'm from Japanese newswire Jiji Press. So how are you going to get them back to the negotiation table? Are you still prepared to go back to Pyongyang if they invite you after the missile launch?

**BOSWORTH:** I don't know what's going to happen specifically after the missile launch, **but I am prepared to go to Pyongyang whenever it appears to be useful. Whether we will be invited or not, I don't know.** We will be, as I said earlier, working very closely with our partners to ensure that after the dust of the missiles settles a bit, we get back to the longer-term priority of the missile - of the Six-Party Talks. **Q:** Yes, it's Ronda Hauben and I'm from Ohmy News International. And my question is: Is it possible that this is, in fact, not a provocative act of North Korea, but it's a modification of its activities? Because it isn't launching a missile; it's saying it's launching a satellite, and a satellite is not a missile. And so has that been considered? And has it been



considered that there's an - this is part of an effort to have the talks resume and that this should be looked at that way? **BOSWORTH:** I think it's a stretch to characterize this as part of an effort to have the talks resume. **That the rest of the international community reacts adversely to a launch will come as no surprise to the North Koreans. In our view, and this is a view shared by many others, UN Security Council Resolution 1718 prohibits any launch, whether it's a ballistic missile or whether it's to launch a satellite. And the reason for that is that we are concerned that even a satellite launch would advance North Korean capabilities in a way that would prove provocative and destabilizing.** **Q:** Good morning, Rosslyn Jordan with Al Jazeera English. Much was made during the last administration about the efforts between the United States and China to put positive pressure on Pyongyang. What can you say about a similar relationship in order to make Pyongyang back away from this planned launch? **BOSWORTH:** I would only say that we've been working very closely and productively with the Chinese, and I think that that line of cooperation will continue. We share a broad range of common interests with regard to the region and particularly with regard to North Korea. **Q:** Hawon Lee, Washington correspondent for South Korea newspaper *Chosun Ilbo*. When - could you - according to the formula within the Six-Party Talks and bilateral talks in the Obama Administration, it seems that there are some concerns that having bilateral talks by you will weaken the Six-Party Talks. **BOSWORTH:** **The Six-Party Talks, we believe, must be at the center and forefront of our efforts to deal with the issues of North Korea and their nuclear program. So that will not change. We will continue to have bilateral contacts with the North Koreans. And we are prepared to open that channel at any point. Now I don't think that bilateral contacts of the sort, that have occurred in the past, and that, I believe, will occur in the future, weaken the Six-Party process. I think, indeed, that it is possible they will strengthen the Six-Party process.** And I would note that during the last administration in Washington, many of our partners and allies were urging that we have bilateral contacts with the North Koreans. And indeed, in the last couple of years of that administration, we did have bilateral talks, and they proved to be quite useful. **Q:** My name is Alison Smith. I'm with the Canadian Broadcasting Corporation. I'm curious to know what real leverage, what real pressure can be brought to bear on the North Koreans at this point. There's an assessment that, in fact, their brinksmanship is working and that they have little to lose by firing off this missile. So what real leverage, what range of options do you have to pressure them not to do so? **BOSWORTH:** **In my experience in dealing with North Koreans, pressure is not the most productive line of approach. You have to combine pressure with incentives and I think we are in a position to begin doing that.** **Q** What are the incentives? **BOSWORTH:** I would rather not get into the incentives at this point, just to say that I think there are things that we can provide and do that the North Koreans would find positive. **Q:** My name is Hyunju Yi from KBS, Korean Broadcasting System. And you have emphasized the visiting schedule through the -- Pyongyang several times, including Hillary Clinton, and she also mentioned about regret about North Korea's reject of - for the invitation to North Korea. But what could be the agenda you can talk with North Korean authority when you are allowed to visit there? **BOSWORTH:** **Well, I think there's a wide range of issues that we would have on any agenda, and it would be on their agenda as well, having to do not only with the denuclearization issue, which is of course foremost in our thinking, but also with**

**what might be required to normalize the relationship between the DPRK and the United States. And one further point: how we can facilitate North Korea's accommodation, integration into the region, which is another, I think, very important question.**

**Q:** Mike Lavalley from TBS. You keep on saying that everybody wants to get back to the Six-Party process as soon as possible, but as you said, there has to be consequences if they fire off this missile. Wouldn't it be reasonable to expect some cooling-off period after - if they do go ahead and fire off this missile? And secondly, North Korea will most - if there are consequences, North Korea will mostly go into a mode of escalation. Are you confident that you can stop that escalation? Are you concerned about escalation, if there are consequences after this?

**BOSWORTH:** First of all, **I'm not in any way predicting that they will go into a mode of escalation. They might. They might not. I'll come back and simply reiterate that in the period after the launch, we will be coordinating very closely with our partners to determine what steps would be most appropriate.**

I think we all share the long-term objective of a negotiated, verifiable denuclearization of the peninsula. That is not going to disappear as a result of the missile launch. It complicates the equation, without question. And it may be that a cooling-off period is the inevitable result. I don't know. I'm not predicting that. I still hope that they decide not to launch the missile.

**Q:** Is that realistic?

**BOSWORTH:** Realistic or not realistic, it's still my hope.

**Q:** My name is Joe Geni of *Yomiuri Shimbun*. Regarding consequences for North Korea after - assuming they do go ahead with the launch, could we see the U.S. seeking enforcement of existing sanctions under 1718, either through further Security Council action or through multilateral action with our partners?

**BOSWORTH:** Again, I'm reluctant to get into that question, because I do not want in any way to prejudice the outcome of the discussions that are going to be underway in New York at the UN. That's a question that at an appropriate time you might address to the UN, to the U.S. Mission to the UN.

**Q:** Yonhap News Agency, South Korea. Some say you may not be able to focus on (inaudible) North Korea because your job as special representative is part-time. What do you think? Also, North Korea rejected the offer - proposal to visit Pyongyang in February. What does that mean?

**BOSWORTH:** Well, the part-time issue is not, for me, an issue. **I have committed to devote as much as time as is necessary to this position, and I have been doing so. I think that the two roles that I have are very compatible, one with the other, so I'm not concerned about the part-time issue. And I think I've demonstrated to our partners that I am accessible, I'm available, I can -- I'm able to travel, whatever.**

And the second question you had was?

**Q:** North Korea rejected your proposal to visit Pyongyang in February. What does that mean?

**BOSWORTH:** **I don't think it means anything. So - I've been there actually, in February, in the first part of February, in a private capacity before I was appointed to this position.**

So I don't think that my - the fact that I did not visit there in early March is relevant at this point.

**Q:** Bagya from the Straits Times, Singapore. Do you think the hardliners have the upper hand in North Korea now?

**BOSWORTH:** I think I know relatively little -- in fact, very little about who's hard line, who's soft line in North Korea. And you know, my view is that we must deal with North Korea as we find it, not as we would like it to be.

**Q:** Thank you. Nami Inoue from Tokyo Broadcasting System. Once you get back to the Six-Party Talks, how would you try to put together the verification protocol which the North Koreans have been rejecting? Are you -- do you have any different tactics or new ways to construct the

verification protocol? **BOSWORTH:** We've been giving quite a bit of thought to that question. We've been discussing it very intensively with our partners. I think we have some ideas about how this could be done. Our immediate goal, of course, is to complete so-called phase two of the process, and move on to phase three of the dismantlement phase. And I'm quite confident that with some intense negotiating and diplomatic activity, we can get over that question. **Q:** Kim Ghattas from the BBC. Ambassador Bosworth, when were you appointed, just over a month ago, you seemed to indicate that you believe the North Koreans were willing to engage with a new administration in the United States. And yet, now you are still waiting for an invitation to visit Pyongyang. Is the task proving much more difficult than you expected? How frustrated are you? **BOSWORTH:** I've been dealing with North Korea on and off for 15 years or so. And I've long since suppressed my tendency toward frustration. I think that what is required is patience and perseverance. I think with patience and perseverance, we can make progress. So I'm not really frustrated. There are times in a negotiation process with the North Koreans where everything just stops for a time. **Q:** Libo Liu, Voice of America, Mandarin Service. Ambassador, what's China's position on the North Korea launch that is related to you? **BOSWORTH:** **As I understand the Chinese position as explained to me by the Chinese Government, they have taken a very strong position that this is an act of provocation and that it should not occur.** **Q:** (Inaudible) Korean newspaper. My question is about the journalists that were detained by North Korea recently. So I wonder who are in charge of this issue in Department - State Department or U.S. - or Obama Administration? Are you also in charge of this issue of the journalists who are detained? **BOSWORTH:** Well, let me just comment - to just say briefly, there is no higher priority for American foreign policy and the Department of State than the protection of American citizens abroad. We have been working with the Government of Sweden who, as you know, represents U.S. interest in North Korea, and we will continue to do that. We are fully engaged with the Swedes diplomatically. As to who is responsible for that particular problem within the bureaucracy, there are a lot of us who are responsible for that, starting with the Secretary of State and going down from there. As I said, there is no issue on which we give higher priority than the protection of American citizens. **Q:** I'm Kaori Arioka with NHK Broadcasting Corporation. Ambassador, are you willing to start the missile talks - I mean, missile negotiation with North Korea? And if so, would you rather do it in a Six-Party context or, I mean, rather separately from the denuclearization issue? **BOSWORTH:** Well, I don't want to get too much into the details, but I think it's - the current situation demonstrates quite effectively why it's important for us to engage with North Korea on the subject of missiles. As you will recall, this was a topic that was under discussion at the end of the Clinton Administration. And we had made substantial progress - did not have an agreement, but we had made progress. We think it's time to come back to that. Obviously, we think that it's a subject that requires discussion, negotiation, as to precisely how it would be handled within the Six-Party process, I'm really not able to say right now. This is something on which we've been consulting with our partners. And I think we will work out an acceptable approach. **Q:** Jimkule Kim with Radio Free Asia. I know you went to the Capitol Hill last Wednesday to brief on North Korean issues. And as you know, some of the U.S. congressmen and senators have urged that U.S. should intercept North Korea missile. How much are you concerned about those opinions on the North Korean missile launch - those so-called

hardliners? **BOSWORTH:** We had very useful consultations on the Hill with the House leadership and then with staff directors on the Senate side. I found a considerable amount of support for the approach that the U.S. is taking. **Q:** Ambassador, I was wondering if you could comment a little on how the negotiating tactics might have changed for you with the Obama Administration coming in? And conversely, also, do you feel there's been any change in reaction from the North Koreans in how their response may have altered over the last few months? **BOSWORTH:** Well, I wasn't here in the last administration, so my point of reference is not all that clear. **But I think I would say that clearly the Obama Administration is committed to diplomacy to solve problems of this sort. That does not mean that it is a diplomacy without strength. My own view is that diplomacy is most useful when it reflects strength and that will be our effort in this negotiation.** And the second part of your question? **Q:** Has North Korea changed its response in any way? **BOSWORTH:** Oh, I don't know. We'll see. I would hope that perhaps they are little less difficult than I've found them in the past, but my expectations are well under control. (Laughter.) (Special representative for North Korea policy Stephen Bosworth, Briefing at the Foreign Press Center, April 3, 2009)

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The Japanese government provided erroneous information that North Korea had launched a rocket today, mostly because the Air Self-Defense Force was confused about radar information, a Defense Ministry official said. "We caused a great deal of trouble to the Japanese people. This was a mistake in the transmission of information by the Defense Ministry and the Self-Defense Forces," Defense Minister Hamada told reporters. "I want to apologize to the people from my heart." The government released information that "North Korea appears to have launched a projectile" at 12:16 p.m. via its e-mail-based Em-Net emergency information system, but retracted it five minutes later, saying it was a "detection failure." By then, media organizations at home and abroad had reported the rocket launch as breaking news based on the false information. The confusion occurred after KCNA reported earlier in the day that the rocket "will be launched soon." North Korea has said the launch is for a communications satellite but Japan, South Korea and the United States suspect the launch is a cover for a long-range ballistic missile test. According to the Defense Ministry, the ground-based FPS-5 radar at the ministry's lioka research and development site in Asahi, Chiba Prefecture, picked up a trace over the Sea of Japan on the radar screen. The information was immediately conveyed to the ASDF's Air Defense Command in the suburbs of Tokyo, but the person who received it mistook the information for satellite early warning information provided by the U.S. military. The satellite early warning information is based on data sent by the U.S. Air Force's Defense Support Program satellite orbiting the Earth. Equipped with an infrared telescope, it is normally the quickest means to detect ballistic missile launches. The erroneous information then got passed onto the SDF's Central Command Post at the Defense Ministry headquarters, from which it was conveyed to the crisis management center at the prime minister's office, according to the ministry. The prime minister's office sent an emergency e-mail message to local governments across the country and media organizations based on the false information. One minute after the Central Command Post received the launch information, it was notified that the trace had disappeared from the radar screen and that no satellite early warning information had

actually been received, the ministry said. "They should have confirmed on computer terminals that satellite early warning information had been received. The mistake could have been avoided if they had done so," a ministry official said. The official said he does not know why the airman at the Air Defense Command mixed up the radar and satellite early warning information. A misstep was also reported at the local level in Japan's northern areas, over which part of the rocket is set to pass if it flies according to the plan announced by North Korea. Before the central government's false report, the Akita prefectural government issued an erroneous report to all municipal governments in the prefecture that North Korea had "fired a missile," and one of the municipal offices communicated the report to all households through a radio transmission for disaster management. According to prefectural officials, a SDF member at the prefectural government's disaster preparedness headquarters received a communication from the Defense Ministry that the rocket was "launched at 10:48 a.m." (Kyodo, "Japan Issues Wrong Info on N. Korea Rocket Launch," April 4, 2009)

Japan and the United States have decided to submit a resolution to the U.N. Security Council asking member states of the United Nations to strictly enforce Security Council Resolution 1718 if North Korea launches a ballistic missile, which it claims is a satellite. Resolution 1718 imposes a series of economic and financial sanctions on North Korea including embargoes on exporting to the country parts and other materials related to ballistic missiles, and on luxury goods. According to sources close to the United Nations, the United States is considering listing about 10 organizations, including North Korean companies, as targets of the financial sanctions. The United States plans to list the names of the organizations on an appendix of the new resolution, according to the sources. The pillar of the resolution being drawn up by Japan and the United States is a reaffirmation of the need for member states to strictly enforce Resolution 1718, which was adopted in 2006 following North Korea's nuclear test. The resolution includes financial sanctions, such as requiring member states to freeze the overseas assets of individuals and companies linked to Pyongyang's nuclear and missile programs. However, the financial sanctions have effectively become toothless because a list detailing companies subject to the sanctions was never issued. The United States will call on member states to implement sanctions more effectively by drawing up such a list. (Shirakawa Yoshikazu, "Japan, U.S. Plan UNSC Resolution," April 4, 2009)

North Korea says it has the right to put a satellite into orbit under an international space treaty. The U.S. and others, suspicious the planned launch is really a test of a long-range military missile, say firing any rocket would violate a United Nations ban. As with many legal areas, there is room for debate. Experts say differences in the wording of the U.N. Security Council resolutions on the North's missile testing and the United Nations' Outer Space Treaty open the way to interpretation, which may be enough to allow Pyongyang to escape punishment for a launch. Security Council Resolution 1718, adopted after the underground atomic blast, said Pyongyang "shall suspend all activities related to its ballistic missile program and in this context re-establish its pre-existing commitments to a moratorium on missile launching." But a 1967 U.N. treaty says outer space "shall be free for exploration and use by all states without discrimination of any kind." North Korea insists its impending launch falls under the treaty's allowances, saying it wants to put a satellite in orbit. The communist regime has

been careful to follow the spirit of the treaty, keeping the world apprised of its plans, unlike its unannounced missile launches in 1998 and 2006. Pyongyang last month said it would launch an "experimental communications satellite" for "peaceful purposes," announced the Saturday-to-Wednesday liftoff window and provided safety information to international shipping and air organizations. The U.S., Japan and South Korea say the North's claim of a satellite launch is a cover for testing a long-range missile capable of carrying a warhead. They say rockets that propel satellites into orbit and those that carry weapons use the same technology, and thus the launch would violate the Security Council prohibition. North Korea sees efforts to stop its plan as hypocritical. "The countries which find fault with (North Korea's) satellite launch including the U.S. and Japan launched satellites before it," Pyongyang's Foreign Ministry said in a statement last week. Lee Keun Gwan, an expert on international law at Seoul National University, said that North Korea's launch cannot be viewed in isolation from its past behavior, even though there could be some room for debate over its legality. "International society is justified in urging North Korea to respect the spirit as well as the letter of the relevant U.N. Security Council resolutions," he said. There is also a propaganda angle to the North's plan, analysts said. South Korea plans to launch a research satellite later this year, and Pyongyang may want to win the space race with Seoul, analysts said. "It would be a huge propaganda coup to launch a satellite before South Korea," said Daniel Pinkston, a Seoul-based analyst for the International Crisis Group. "If North Korea can do this first, the North Korean regime will benefit in terms of nationalistic propaganda." (Kelly Olsen, Associated Press, "Rocket Launch Will Test International Law," *Japan Times*, April 4, 2009)

4/5/09

North launches three-stage rocket. The North Korean ambassador to the UN, Shin Son Ho, told reporters in New York, "We are happy. Very, very successful. You should congratulate us." (Jonathan Watts, "Divisions Emerge in International Response to North Korean Rocket Launch," *The Guardian*, April 6, 2009)

KCNA: "General Secretary Kim Jong Il visited the General Satellite Control and Command Centre to watch the process of launching the experimental communications satellite Kwangmyongsong-2 on Sunday. He acquainted himself with the preparations made for the satellite launch. After being briefed on the satellite launch, he observed the whole process of the satellite launch at the center. At 11:20 a.m. the satellite Kwangmyongsong-2, a shining product of self-reliance, soared into space by carrier rocket Unha-2. It was smoothly and accurately put into its orbit 9 minutes and 2 seconds after being completely separated from the carrier rocket. Expressing great satisfaction over the fact that scientists and technicians of the DPRK successfully launched the satellite with their own wisdom and technology, he highly appreciated their feats and extended thanks to them." (KCNA, "Kim Jong Il Observes Launch of Satellite Kwangmyongsong-2," April 5, 2009)

North Korea declared success in putting a satellite into orbit but the launch suspected of being a Taepodong-2 long-range ballistic missile test stirred outcries from Japan and its allies who will now seek action at an urgently called U.N. Security Council meeting. Japan's Defense Ministry, meanwhile, said its Self-Defense Forces, which had been on high alert since late last month preparing for the launch, did not try to intercept the

North Korean rocket that passed over Japan without causing any clear damage in the country. North Korea said through official state media that what it claims to be a communications satellite, Kwangmyongsong-2, has successfully been put into orbit following the launch of a three-stage carrier rocket. The satellite entered into orbit 9 minutes and 2 seconds after the launch of the three-stage "Unha-2" carrier rocket at 11:20 a.m. from the Tonghae satellite launching ground on the country's east coast, the Korean Central News Agency reported. The U.S. and South Korean governments also confirmed the launch and criticized it, while, China, North Korea's most important ally, urged Tokyo and other countries "to respond calmly" on the matter. Noting that the move is a clear violation of a U.N. Security Council resolution banning any ballistic missile activity by Pyongyang, Japanese PM Aso told reporters in Tokyo, "It was an extremely provocative act and came despite repeated warnings by the world, especially the United States." He added, "Japan cannot simply overlook (such an act)." Tokyo lodged a protest with North Korea through diplomatic channels in Beijing after the launch. Top government spokesman Kawamura Takeo said Japan is nearing a decision to extend its ongoing economic sanctions against North Korea, due to expire April 13, from six months to one year. Japanese FM Nakasone Hirofumi agreed in separate phone conversations with Secretary of State Hillary Clinton and South Korean counterpart Yu Myung Hwan that the rocket launch harms regional peace and is a breach of U.N. Security Council resolutions, the Japanese Foreign Ministry said. Japan asked the U.N. Security Council to convene an emergency meeting and the council was quick to respond as it decided to hold a meeting later Sunday at Tokyo's request for discussions for possible punishment. The United States, Tokyo's closest ally, swiftly showed its support. President Barack Obama said in a statement, "The launch today of a Taepodong-2 missile was a clear violation of United Nations Security Council Resolution 1718, which expressly prohibits North Korea from conducting ballistic missile-related activities of any kind." (Kyodo, "N. Korea Launches 'Satellite' Stirring Outcry from Japan, Allies," April 5, 2009)

Obama: "We go forward with no illusions. Some will break the rules, but that is why we need a structure in place that ensures that when any nation does, they will face consequences. Just this morning, we were reminded again of why we need a new and more rigorous approach to address this threat. North Korea broke the rules once again by testing a rocket that could be used for long range missiles. This provocation underscores the need for action -- not just this afternoon at the U.N. Security Council, but in our determination to prevent the spread of these weapons. Rules must be binding. Violations must be punished. Words must mean something. The world must stand together to prevent the spread of these weapons. Now is the time for a strong international response -- (applause) -- now is the time for a strong international response, and North Korea must know that the path to security and respect will never come through threats and illegal weapons. All nations must come together to build a stronger, global regime. And that's why we must stand shoulder to shoulder to pressure the North Koreans to change course." (White House, Remarks by President Obama, Prague, April 5, 2009)

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DoS acting spokesman Robert Wood: "Secretary Clinton had telephone calls yesterday with the foreign ministers of Japan, South Korea, China and Russia to talk about the

issue. We're going to continue to go forward in discussions with our partners in the Council to seek a strong, coordinated and effective response to the North Korean missile launch. ... **Q:** Do you want a resolution? **WOOD:** Well, we want the strongest possible response that we can get in the Security Council. ... **Q:** What do you say to those who are characterizing it as an unambiguous win for North Korea, particularly in light of the lack of a quick, united response from the United Nations? **WOOD:** I would reject that characterization completely. It was not a win for North Korea. This kind of action only further isolates the North. And the fact that the Security Council is taking this issue up demonstrates how important it is that we deal with this matter and the need for it to be dealt with. And so I would reject any characterization that the North - that this is some kind of a win for the North. It's not. The Council needs to speak and speak clearly on this, and we are going to work very hard to make sure that we do speak loudly." (DoS Daily Briefing, April 6, 2009)

U.N. Security Council members were at an impasse on whether to condemn the test. The United States and its allies - Japan, France and Britain - were pushing for a resolution denouncing the launching as a violation of the 2006 sanctions. As talks continued after the three-hour emergency session ended inconclusively, diplomats said a main issue would be determining if the failed launching violated any resolutions. "We think that what was launched is not the issue; the fact that there was a launch using ballistic missile technology is itself a clear violation," said Susan E. Rice, U.S. ambassador. China left its position ambiguous, although at the initial meeting it stressed that the North Koreans had a right like any country to launch satellites. "Our position is that all countries concerned should show restraint and refrain from taking actions that might lead to increased tensions," Yesui Zhang, the Chinese ambassador, told reporters. Igor N. Schcherbak, the Russian envoy, said that his country did not think it was a violation of the previous resolutions banning ballistic missiles, but he left some wiggle room by saying that Russia was studying the matter. (Helene E. Cooper and David E. Sanger, "Citing Rising Risk, Obama Seeks Nuclear Arms Cuts," *New York Times*, April 6, 2009, p. A-1)

A resolution drafted by Japan and the United States for adoption by the U.N. Security Council following North Korea's firing of a long-range missile today calls for a "strengthening of sanctions," including tighter inspections of North Korean vessels, in addition to enforcement of U.N. Resolutions 1695 and 1718. In the draft, the specifics of which the *Yomiuri* obtained, Tokyo and Washington call for **an expansion of the list of nuclear and missile technology-related items banned by the council from being transferred to North Korea**. Regarding measures to freeze North Korea's assets overseas in connection with nuclear and missile development activities, **the draft resolution singles out about a dozen organizations, mostly Pyongyang-linked businesses, that it says should be added to the current asset-freeze list under Resolution 1718**, the sources said. To ensure U.N. member countries complied with the proposed resolution, **the draft calls for all nations to report on its enforcement no later than 30 days after adoption** of the planned resolution by the Security Council. The Japan-U.S. joint draft also **calls on U.N. member countries to seize suspicious cargo found on North Korean ships in inspections that must be compulsorily carried out if it is thought nuclear and missile-related materials or**



**devices may be being transferred, the sources said.** Resolution 1718, adopted in 2006 after North Korea conducted nuclear tests, stipulates that all member nations of the world body should act in concert to prevent the transfer of goods and devices that could help advance Pyongyang's nuclear and missile development programs. There have so far been no reports, however, of a cargo inspection ever being conducted under the terms of the resolution, bringing its effectiveness into question. Discussions at the Security Council over the Japanese-U.S. draft, however, have faced hard going, with China and Russia firmly opposed to the adoption of a Security Council resolution condemning North Korea over its missile launch. Beijing and Moscow threatened to wield their vetoes to block any resolution that imposed new sanctions on Pyongyang, leading Japan and the United States to put their plans to officially present the draft to the Security Council on hold for the moment, sources said. China presented its own draft at the ambassadorial meeting last night, in the form of a nonbinding "press statement." The statement simply expresses "concern" over North Korea's missile launch, standing in stark contrast to the position of Japan and the United States. According to diplomatic sources in Washington, Japan and the United States explained in detail their draft resolution at a U.N. ambassadorial meeting tonight involving six nations, the other four being Britain, China, France and Russia. (Shirakawa Yoshikazu, "Japan, U.S. Eyeing New DPRK Bans, Strengthened U.N. Sanctions Urged in Draft," *Yomiuri Shimbun*, April 8, 2009)

Chinese FM Yang Jiechi called his counterparts in the United States, Russia, Japan and South Korea to discuss the launch, the Foreign Ministry said in a statement. "All sides ought to look at the big picture ... (and) avoid taking actions which may exacerbate the situation further," Yang was paraphrased as saying. China "upholds using talks to resolve this issue," he added. "We hope related parties stay calm and exercise restraint, appropriately deal with it and together maintain peace and stability in this region," Foreign Ministry spokeswoman Jiang Yu added in a separate statement that referred to the rocket as an "experimental communications satellite." Jiang said in the brief statement carried on the ministry's website, "The Chinese side is willing to continue to play a constructive role." (Ben Blanchard, "China Urges World Not to Overreact to N. Korea Launch," Reuters, April 5, 2009)

A day after having erroneously announced the launch of a missile from North Korea, the Defense Ministry experienced further communication problems when responding to the actual launch. The ministry was forced to delete information on the supposed splashdown point of the missile's second-stage booster from press materials after its initial estimate had to be corrected. Meanwhile, the changing situation threw the Fisheries Agency into confusion in its efforts to confirm the safety of fishing boats operating in the sea at the time. The Japan Coast Guard's search for debris falling from the missile also was affected by the ministry's error. At a press conference held from 1 p.m. April 5 at the Prime Minister's Office, following the launch, Chief Cabinet Secy Kawamura Takeo appeared puzzled when a reporter mentioned the Defense Ministry's correction to information it had announced earlier. "What do you mean by 'a correction?'" Kawamura asked the reporter. Immediately before the press conference, Kawamura explained to reporters that the second-stage booster was believed to have splashed down in the Pacific Ocean about 1,270 kilometers east of Japan. The Defense

Ministry also issued a similar announcement at 11:38 a.m. in which it said there was a possibility the second-stage booster could fall far short of the danger zone announced by North Korea, about 2,150 kilometers east of Japan. The ministry dropped the information on the presumed splashdown point from press material released at 11:52 a.m. However, it appears Kawamura was not informed of the correction. "We deleted the information because we couldn't confirm for sure the splashdown point. But we still believe the estimate was valid," a senior ministry official said. Two minutes after the missile launch, the Fisheries Agency faxed a request to the 43 dedicated fisheries radio stations, Tokyo and 38 prefectures with coastlines and eight fisheries organizations to confirm the safety of fishing vessels operating in the seas around Japan, but without the information that the second-stage booster might land nearer Japan than originally expected. Immediately after this, the agency was advised by the Prime Minister's Office that the second-stage booster had splashed down some distance from the designated danger zone, an announcement that caused great commotion among officials in the agency's emergency response team. Fearing the booster might have fallen near fishing vessels operating between Japan and the danger zone, the agency scrambled to confirm their safety. Officials rushed to consult a sea chart and started calling fisheries organizations to inform them of the situation. However, some fisheries organizations were slow to respond about fishing boats associated with them and operating in the Pacific Ocean. The agency said it took about three times longer than originally expected to confirm the safety of all fishing boats, with confirmation being completed at 1:05 p.m. "It upset us because the information [on the splash-down point of the booster] we got was not what we were expecting," a senior agency official said. The Japan Coast Guard, which searched for debris from the missile, dispatched an Umiwashi maritime surveillance aircraft to the area where the ministry first said the second-booster landed. But the JCG misunderstood information relayed by the Prime Minister's Office and erroneously believed the booster had fallen about 2,100 kilometers from Japan. "We were confused as we'd expected the Defense Ministry to inform us of the longitude and latitude [of the splashdown point]," a senior JCG official said. The government is considering the retrieval of fallen debris from the long-range missile launched by North Korea, according to government sources. If the booster stages of the missile were retrieved, the level of North Korea's missile technology could be assessed, including the structure of the missile's nozzle--an important component that helps maximize thrust--and the type of fuel used, the sources said. The missile's first booster stage splashed down 280 kilometers off the coast of Akita Prefecture in the Sea of Japan, within Japan's exclusive economic zone. The average sea depth there is 1,520 meters. The projectile's second booster stage is believed to have come down in international waters in the Pacific Ocean. Under international law, there are no legal issues over searching either in international waters or in the EEZ. A successful search was made in 1999 when the first booster stage of the then National Space Development Agency's failed launch of the No. 8 H2 rocket was found 380 kilometers northwest of Chichijima island, in the Ogasawara island chain, after a failed launch. (*Yomiuri Shimbun*, "Miscommunication Hampers Response; Erroneous Info from Defense Ministry on Missile Affects Fisheries Agency, JCG Search," April 7, 2009)

Hans Blix: "The North Korean regime has often been isolated and ostracized. Although there have been good reasons for this, the country may well have felt humiliated.

Against that background, the offer of diplomatic relations with the US and Japan, and normal relations with the world at large, may have considerable value as a part of a quid pro quo for dismantling the nuclear weapons program and for other forms of engagement, for instance against the proliferation of nuclear and missile technology. Many other offers can and are already part of the sweet talk: food and economic assistance of various kinds, and energy assistance - oil and perhaps a resumption of the construction of the two light-water reactors that were part of the 1994 agreed framework. There may be limits to the persuasive power of the Chinese government, but it is significant - and there can be no doubt that Beijing has an enormous interest in using it. A nuclear-capable North Korea shooting missiles over Japan could push Tokyo in a direction that would sharply increase tensions with China. So while the security council and everybody else will condemn the latest North Korean missile tests, a resumption of the talks will be sought rather than more sanctions. Perhaps President Carter will go again to Pyongyang, reminding Kim Jong-il and the regime of the wishes of Kim Il-sung. We must hope that in the six-power talks formulas are found that can bring sufficient benefits to all sides. Such formulas are unlikely to include sufficient inspection to guarantee that no undeclared fissile material is hidden but must have guarantees against any capability to produce more such material. And what if nothing is enough to persuade the North Korean regime? If it fears that nothing but a continued demonstration of its nuclear weapons and missile power will guarantee its existence? Then we shall have to be patient, seek to prevent proliferation, and wait for another day." (Hans Blix, "Patience with Pyongyang," *The Guardian*, April 6, 2009)

Japan said it would keep pushing for punishment of Pyongyang through a new U.N. resolution. "We feel that a Security Council resolution is desirable, so we will keep trying for that," FM Nakasone Hirofumi told reporters in Tokyo. China and Russia have called on all sides for restraint. Both made clear before the launch that they would use their veto power to block any resolution imposing new sanctions on Pyongyang. U.S. Ambassador Susan Rice and Japanese Ambassador Yukio Takasu both called for a clear and firm response and said they wanted to see a fresh resolution. Chinese Ambassador Zhang Yesui said any reaction must be "cautious and proportionate." Washington and Tokyo want a resolution demanding stricter enforcement, and possibly expansion, of an existing arms embargo and financial sanctions.

The Cabinet will decide Friday its basic guideline for new sanctions on North Korea after Pyongyang launched a rocket yesterday despite Japan's repeated warnings against doing so, Chief Cabinet Secretary Kawamura Takeo said. PM Aso Taro told reporters this evening that the government is "basically looking to extend its ongoing sanctions, due to expire April 13, for one year rather than six months." In a related development, the ruling bloc of the Liberal Democratic Party and the New Komeito party submitted a draft Diet resolution Monday to the House of Representatives Steering Committee, condemning North Korea's rocket launch and calling for the strengthening of Japan's economic sanctions on the country. Also today, an LDP panel on North Korea's abductions of Japanese nationals decided on a draft plan for additional sanctions including a ban on exports to North Korea. The panel is expected to notify Kawamura of the plan Tuesday. Kawamura noted that the government is trying to set out new sanctions before the

current ones expire, while Aso said he will decide on the matter "taking into account what answers the U.N. Security Council will come up with." Japan has said that it wants the Security Council to adopt a new resolution against North Korea, but it remains unclear whether it can obtain the consent of China and Russia, veto-wielding permanent council members who are cautious about antagonizing Pyongyang. "What now comes at the top of the agenda is to swiftly send a concerted message by the U.N. Security Council to North Korea," Aso told reporters. "Otherwise, an erroneous message will be conveyed to North Korea and we need to avert such a situation." (Yasumoto Mariko, "Japan to Decide Basic Guidelines for New Sanctions on N. Korea Friday," Kyodo, April 6, 2009)

PM Han Seung-soo told the National Assembly on April 6, "It's time for defense and diplomatic authorities to seriously review the issue of revising the South Korea-U.S. missile guidelines." Remarks made by Han over the need to redraw the South Korea-U.S. missile guidelines are drawing attention, especially as conservative politicians and organizations have raised the topic of South Korea's missile sovereignty intermittently in the past. Han's argument is based on the premise of an imbalance of missile technology between South Korea and North Korea. Since 2007, North Korea has deployed new mid-range missiles with a range of more than 3,000 kilometers. Sunday's launch of a long-range rocket proved that North Korea has further advanced its long-range missile technology, giving evidence that South Korea is lagging comparatively far behind in missile technology development. In order for South Korea to catch up with North Korea missile capacity, some conservative politicians argue that Seoul should revise the guidelines with the U.S. that currently restrict its missile capacity to a 300 kilometer range and a 500 kilogram payload. (*Hankyore*, "N. Korea's Satellite Prompts S. Korea's Call to Extend Its Missile Range," April 7, 2009) Experts yesterday said the North, although it has yet to develop intercontinental ballistic missiles, has proven itself to possess considerable missile capabilities with the Sunday rocket launch. "It would have been an intercontinental ballistic missile if the North was able to have reached orbit. But nevertheless, it has shown that its missile capabilities have improved considerably, especially because the payload it carried all the way to the Pacific would have weighed at least tons," said Kim Tae-woo, vice president of the Korea Institute for Defense Analyses. "For Seoul, the North's missile capabilities may offer an opportunity to renegotiate an existing missile agreement with Washington that bans the South's missile capability to under 300 kilometers." For North Korea, in addition to stepping up pressure against Washington with threats that its weapons may soon reach the American border, it may now have secured more export destinations for its upgraded missiles. "The North makes a lot of money by selling its missile technology, and now it has shown that its ability has improved," said Professor Yang Moo-jin of the University of North Korean Studies here. (Kim Ji-hyun, "North Korea Showcases Upgraded Rocket Ability," *Korea Herald*, April 7, 2009)

4/7/09

Former SecState Madeleine Albright: **Q:** Well, I guess many Americans look at it this way, you know: You talk about sanctions, but sanctions have been instituted against North Korea before, and it hasn't really worked. North Korea just seems to kind of do what it wants. You've met Kim Jong-Il. I mean, what does he want? **ALBRIGHT:** Well, what he wants is respect. And I have to say that part of the problem here is -- and as you

mentioned, I met Kim Jong-Il. We were in the middle of negotiations with him. In fact, we had a missile moratorium. And President Bush came in and canceled those talks. It was confusing to everybody. And I do think that what is important now is to get the North Koreans back into the six-party talks, to make it clear to them that the only way that they are going to have respect is to abide by international regulations and to try to deal with the fact that they would be better off if, in fact, they allowed their people to be fed and an economy that functions, rather than be living in this way where poverty is rampant, and hunger, in every way in North Korea, and a leadership that is shaky. But the bottom line is, I think it was a huge mistake for the United States to stop talking to North Korea. And in the interim period, they were able to develop material in order to create nuclear weapons, and so I hope very much that the six-party talks continue." (Text of interview with Carol Costello, CNN, April 7, 2009)

China refused to label the launch a provocative act. "We believe the UN Security Council should act carefully concerning resolution 1718," Chinese FoMin spokeswoman Jiang Yu told reporters, referring to the resolution passed after North Korea's nuclear test in 2006. "There are similarities but also differences between rocket and missile technology. Launching a satellite is different in nature from firing a missile or a nuclear test. This issue also involves the right of all countries to peaceful use of outer space." (Chris Buckley, "China Urges Cautious Response to North Korea Launch," Reuters, April 7, 2009)

The leader of Japan's ruling political party says former U.S. officials such as Condoleezza Rice were "weak-kneed" in dealing with North Korea. Rice, who was secretary of State under former President Bush, and former chief U.S. negotiator for North Korean denuclearization Christopher Hill weren't willing to stand up to Pyongyang, Liberal Democratic Party Secretary-General Hosoda Hiroyuki reportedly asserted today. Kyodo quoted Hosoda saying at an LDP meeting, "They were weak-kneed. Their ways of dealing with the issue were wrong." Hosoda also bemoaned the lack of progress in the six-nation denuclearization talks with Pyongyang, saying, "North Korea only destroyed a water cooling tower" at its Yongbyon nuclear facility last October. "It is not clear how many nuclear bombs North Korea possesses or how far its uranium enrichment programs go." (UPI, "Japan Leader: U.S. 'Weak-Kneed' on N. Korea," April 7, 2009)

Lee Myung-bak administration's treatment of North Korea issues before and after North Korea's missile launch on April 5 has lost its consistency. It has issued a mixture of both moderate and hard-line declarations from being prepared to send a special emissary to Pyongyang to planning to go ahead with full participation in the U.S.-led Proliferation Security Initiative (PSI). On April 3, President Lee said his administration "is ready to send an emissary when necessary." On April 6, however, after the rocket launch, he said something else. "The question of participating in the Proliferation Security Initiative is being actively considered in the context of international cooperation on the prevention of the spread of weapons of mass destruction (WMD), and we are pursuing full participation based on our own decision," Lee said, indicating a turn in a hard-line direction. Put simply, he is all over the place. Perhaps because of the inconsistency in political positions, one senses confusion within his administration about PSI. On April 6

a Cheong Wa Dae (the presidential office in South Korea or Blue House) official said full participation had already been decided. "Our participation in PSI will happen after a response to North Korea's rocket launch is decided at the United Nations, and will not have to wait beyond April.± In other words, the administration has indicated it will announce its intention to fully participate in PSI right after the United Nations Security Council concludes an agreement about North Korea's rocket launch. Another Cheong Wa Dae official said there "might be various differing strategic and tactical decisions in regards to the timing" of the announcement regarding participation. The administration "is watching for the best timing." In other words, the government is going to wait on when to make its announcement regarding its decision. Whether a decision has been made, however, also seems to be the subject of some internal inconsistency in the administration. Yet another Cheong Wa Dae official said the "mood is one in which there is prudent consideration for whether or not to participate." An official in one of the government's ministries responsible for security and foreign policy said it "is not easy deciding about PSI because of issues like inter-Korean relations and Seoul's relations with China." Such confusion within the government relates to the negative influence participation in PSI would have on both inter-Korean relations and the political situation on the Korean peninsula. President Lee and other high-ranking administration officials insist PSI is about cooperating with the international community's efforts to stop proliferation and is not something that targets North Korea, but many refute that.

Democratic Party Assemblyman Song Min-soon, who served as chief security secretary in the Cheong Wa Dae of the previous administration and as its minister of foreign affairs and trade, said that if South Korea fully participations in PSI, "key to that will be WMD interdiction training with other countries in the seas surrounding the Korean peninsula." Song added, "The target inevitably has to be North Korea." (*Hankyore*, "S. Korea's Zigzag Policies Deliver Confusing Signals to Pyongyang," April 7, 2009)

4/8/09

Japanese and U.S. envoys working on the U.N. Security Council response to North Korea's weekend missile launch are exploring a watered-down resolution not seeking stricter enforcement of existing sanctions, diplomatic sources said. The proposed draft resolution would express only concern over North Korea's suspected launch of a long-range ballistic missile, rather than condemning the action, which is a far stronger diplomatic language, the sources said. The draft would also refrain from confirming that the missile launch was a violation of Security Council Resolution 1718, adopted in October 2006 following Pyongyang's nuclear test, the sources said. Konstantin Dolgov, Russia's deputy ambassador to the United Nations, told reporters Wednesday that Russia stood alongside China in calling for a presidential statement, rather than a resolution at this point. "This is the position of China," he said. "We are very much in understanding of this position and we share this view." (*Kyodo*, "Japan, U.S. Eyeing UNSC Resolution without Enforcement of Sanctions, April 8, 2009)

4/9/09

In a move believed to be a bid to end the impasse over a U.N. response to North Korea's latest ballistic missile launch, China has come out with a stand that is somewhat closer to a joint Japan-U.S. draft U.N. Security Council resolution that seeks tougher sanctions against Pyongyang. Diplomatic sources in New York said today that China had informed the United States of Beijing's own draft for a nonbinding "presidential

statement" that would be issued by the Security Council president. China's envisioned Security Council response is in accord with a similar, toned-down presidential statement the United States is sounding out Japan about. That indicates Washington and Beijing now are broadly in accord over the imbroglio, according to the sources. Japan and the five permanent council members--Britain, China, France, Russia and the United States--held a fresh U.N. ambassadorial meeting at the headquarters of the world body this evening. During the meeting, China explained its draft presidential statement in detail, and the United States appeared to be basically in favor of the Chinese proposal, the sources said on condition of anonymity. In a press conference, U.S. Ambassador to the United Nations Susan Rice called the meeting "productive." The gathering took place after three rounds of talks among the five permanent council members, known as the P-5, and Japan that had failed to reach consensus. The sources said the Chinese draft incorporates words of condemnation against North Korea for the missile launch. The draft says North Korea's missile launch was "not in conformity" with Resolution 1718 adopted by the council that bans Pyongyang's firing of ballistic missiles after its nuclear test in 2006, according to the sources. The wording of the Chinese-proposed statement, however, sounds weaker than that of the resolution jointly drawn up by Japan and the United States, which refers to North Korea's "violation" of Resolution 1718, they said. China's draft also calls for North Korea to "completely comply with" Resolution 1718, which the sources noted means that Beijing demands that Pyongyang end its nuclear and missile development programs. (Shirakawa Yoshikazu, "China Offers Compromise on N. Korea; Move Aims to Settle UNSC Missile Impasse," *Yomiuri Shimbun*, April 11, 2009)

DPRK Supreme People's Assembly re-elected Kim Jong-il chairman of the National Defense Commission. KCNA: "The First Session of the 12th Supreme People's Assembly of the DPRK was held at the Mansudae Assembly Hall today. General Secretary Kim Jong Il was present at the session." (KCNA, "First Session of 12<sup>th</sup> SPA of DPRK Held," April 9, 2009) Kim Jong-il had two aims in appointing his brother-in-law to the country's powerful military board and reshuffling its lineup, analysts said -- to cement his standing and solidify leadership that could function once he is out of the picture. Kim, 67, now back in control after a reported stroke last summer, considerably amplified the National Defense Commission (NDC) in a meeting of the newly elected parliament Thursday, increasing the number of its members to 13 from eight and bringing in new members from outside the military. Most notably, Kim's brother-in-law and right-hand man, Jang Song-thaek, made it into the military board along with his own close aide. "Overall, the power of the National Defence Commission was strengthened," UnifMin spokesman, Kim Ho-nyoun, said in a briefing. (Yonhap, "Kim Jong-il Paves Way for Successor: Analysts," April 10, 2009)

South Korea has summoned a Japanese Embassy official to protest Tokyo's approval of a textbook that Seoul believes is an attempt to justify wartime wrongdoing. Foreign Ministry spokesman Moon Tae-young says South Korea has "deep concerns" over the possibility that the book may lead Japanese students to develop "a wrong historical view." (Associated Press, "S. Korea Protests against Japanese Textbooks," April 9, 2009)

4/10/09

Japan formally decided to impose additional sanctions on North Korea in response to its rocket launch and to extend current sanctions due to expire Monday for one year. The additional sanctions reduce the amount of remittance to North Korea subject to reporting to the Japanese government from more than 30 million yen to more than 10 million yen and lower the amount of money subject to reporting by travelers to North Korea from more than 1 million to more than 300,000 yen. The new sanctions are "aimed at shedding light on the flow of funds (to North Korea), and that will help make clear Japan's position (against the country)," FM Nakasone said after a morning Cabinet meeting. "Also given the stalled talks on the issue of the abductions (of Japanese nationals by the North), I believe our action is appropriate." The government also decided at the Cabinet meeting to double the extension period for the current sanctions, including a ban on port calls by North Korean-registered vessels, from six months to one year. But the government has given up on its plan to include a total ban on exports to North Korea as the effectiveness of such a ban would be limited given that the value of exports to North Korea stands at around several hundred million yen each year, government sources said. (Kyodo, "Japan Decides to Impose Additional Sanctions on N. Korea," April 10, 2009)

PM Aso suggested that Japan may accept a nonbinding presidential statement by the U.N. Security Council. While noting that the adoption of a resolution is "desirable," Aso told a press conference, "There would be no point if we stick to a resolution that ends up being nonsensical." (Kyodo, "Aso Hints at Making Concession over U.N. Resolution on N. Korea," April 10, 2009)

The recent cooperation between the SDF and U.S. military represented the first de facto case in which the two parties cooperated in tracking the path of a missile. The U.S. military, which first detected North Korea's missile launch and took over the tracking from Japan after the missile flew beyond Japan's tracking range, announced that the missile fell into the Pacific. The joint operation was widely praised, but a chasm between Japan and the United States was revealed in the process of the operation. In response to North Korea's prior notice of its intention to launch a "satellite," DefMin Hamada issued the order on March 27 to intercept and destroy it should it appear likely to fall on Japanese soil. On the same day, Saiki Akitaka, director of the Foreign Ministry's Asian and Oceanian Affairs Bureau and Japan's chief delegate to the six-party talks, met with his new U.S. counterpart, Sung Kim, in Washington. Saiki told Kim, "Japan and the United States should demonstrate that the two countries are united in dealing with a case like this." **A high-ranking U.S. official, however, complained at a meeting of diplomats held afterward that Japan cannot keep a cool head when it comes to North Korea.** U.S. Defense Secretary Robert Gates said on March 29 that the United States had no plans to try to shoot down any North Korean missile that was launched unless it was targeted at U.S. territory. During a telephone conversation with Hamada soon after that, he called on Japan to respond calmly. Gates' statement came as a surprise to a senior MSDF officer, who said, "This is the first time that the United States has ruled out a military option against North Korea from the outset." Looking at the U.S. moves at the U.N. Security Council after the missile launch, it is clear that the U.S. stance toward Pyongyang is far from conciliatory. On the other hand, Washington seems to signal that it does not want to spend time and energy dealing with the North Korean



problem at a time when the country must grapple with the Afghan conflict and an economic crisis. A U.S. Democratic Party source grumbled about Japan's response, saying Tokyo was making too much fuss about the missile launch even though it was "impossible" to intercept a missile flying over Japan. (*Yomiuri Shimbun*, "Dealing with Defiance: Japan-U.S. Perception Gap Is Evident in Dealing with N. Korea," April 10, 2009)

4/11/09

Japan is expected to withdraw a proposal for the U.N. Security Council to adopt a binding resolution on North Korea's rocket launch, Kyodo news reported, a day after Japanese PM Aso appeared to back off from insistence on a resolution. (Reuters, "Japan to Scrap Plan for North Korea Resolution: Kyodo," April 11, 2009) The U.N. Security Council reached a basic agreement on a draft presidential statement that "condemns" North Korea's rocket launch last Sunday as a "contravention" of a resolution banning the country from all missile-related activities, the council's president said. The development came after Japan and the five permanent members -- the United States, Britain, France, Russia and China -- struck a deal on a nonbinding presidential statement earlier Saturday, following Tokyo's decision to withdraw its bid for a binding resolution. Acting on the agreement between Japan and the five permanent members, all 15 members of the council met behind closed doors and basically agreed on the statement, Mexican Ambassador Claude Heller, the rotating Security Council president for April, told the media. "What I think is very important is that the Security Council is acting in a very unified manner," Heller said. "I think this will all be achieved very clearly next Monday with the formal adoption of this draft." U.S. Ambassador Susan Rice told reporters that the draft statement is "very strong and sends a clear message to the DPRK that their violation of international law will not be treated with impunity." (Kyodo, UNSC Reaches Basic Accord on Presidential Statement on N. Korea," April 11, 2009) The Council may vote as soon as Monday on the American draft of a presidential statement. After haggling all week, the five permanent members plus Japan agreed to the compromise in order to project unity, although the United States and Japan had initially pushed for a stronger response. Russia and China, in calling for a measured reaction, publicly avoided characterizing the rocket launching as a ballistic missile test, and the word missile never appears in the statement. But it condemns North Korea for the event and warns the country against any further launchings. "What the Council can do, and we hope will do, through the adoption of this statement is to send a very clear message to North Korea that what they have done under the guise of a satellite launch is in fact a violation of their obligations and indeed that there are consequences for such actions," said Susan E. Rice, the American ambassador. A presidential statement must be passed by all 15 members of the Council. Although the United States considers it legally binding internationally, others deem it more of a recommendation. Given the weight of those backing it, passage is almost assured. But Libya, a Council member, expressed reservations Saturday since it maintains that launching a peaceful satellite is the right of all nations. American officials have said the satellite fell into the Pacific. The North had threatened to walk out of the talks if the United Nations punished it for the launching. But it has been silent on the subject recently, and analysts said Saturday that the Council response was measured enough that the North would likely continue to negotiate. (Neil MacFarquhar, "U.N. Council May Rebuke North Korea," *New York Times*, April 12, 2009, p. A-8)

4/12/09

PM Aso Taro's dismal approval ratings have improved as the public apparently welcomed the government's tough stance to North Korea's rocket launch and an announcement of a fresh economic stimulus package, according to a *Mainichi Shimbun* poll. Support for Aso's Cabinet jumped to 24 percent in the April 10-11 poll, up from 16 percent in the March survey. The disapproval rate fell to 56 percent from 66 percent. His support, which plunged to 11 percent in February, has since recovered slightly after his rival, DPJ President leader Ozawa Ichiro, was mired in a political funds scandal last month. About 72 percent of respondents said Ozawa should resign over a political funds scandal that has led to the indictment of his secretary, the *Mainichi Shimbun*. "[Aso's] announcement of a massive economic package and his response to North Korea's rocket launch have apparently provided support," *Mainichi* said. Aso unveiled a 15 trillion yen (\$150 billion) new stimulus package Friday to lift the economy from recession. (Associated Press, "Poll: Support for Japan P.M. Improving," April 12, 2009)

4/13/09

The President of the U.N. Security Council made the following statement on behalf of the Council: "The Security Council bears in mind the importance of maintaining peace and stability on the Korean peninsula and in northeast Asia as a whole. The Security Council condemns the 5 April 2009 (local time) launch by the Democratic People's Republic of Korea (DPRK), which is **in contravention of** Security Council resolution 1718 (2006). The Security Council reiterates that **the DPRK must comply fully with its obligations under Security Council resolution 1718 (2006)**. The Security Council **demands that the DPRK not conduct any further launch**. The Security Council also **calls upon all Member States to comply fully with their obligations under resolution 1718 (2006)**. The Security Council **agrees to adjust the measures imposed by paragraph 8 of resolution 1718 (2006) through the designation of entities and goods**, and directs the Committee established pursuant to resolution 1718 (2006) to undertake its tasks to this effect and to report to the Security Council by 24 April 2009, and further agrees that, if the Committee has not acted, then the Security Council will complete action to adjust the measures by 30 April 2009. The Security Council supports the Six Party Talks, calls for their early resumption, and urges all the participants to intensify their efforts on the full implementation of the 19 September 2005 Joint Statement issued by China, the DPRK, Japan, Republic of Korea, the Russian Federation and the United States and their subsequent consensus documents, with a view to achieving the verifiable denuclearization of the Korean Peninsula in a peaceful manner and to maintaining peace and stability on the Korean Peninsula and in northeast Asia. **The Security Council expresses its desire for a peaceful and diplomatic solution to the situation** and welcomes efforts by Council members as well as other Member States to facilitate a peaceful and comprehensive solution through dialogue. The Security Council will remain actively seized of the matter. (Reuters, "U.N. Security Council Draft Statement on N. Korea," April 11, 2009)

PM Aso welcomed a basic agreement by the U.N. Security Council to adopt a nonbinding presidential statement condemning North Korea's rocket launch. "It's better (to adopt a presidential statement) if expressions had to be weakened in order to make it a resolution," Aso told reporters. "It's important to accurately convey (North Korea) a comprehensive message swiftly." (Kyodo, "Aso Welcomes U.N. Security Council Accord to Adopt N. Korea Statement," April 13, 2009)

4/14/09

DPRK ForMin statement: "Despite our repeated warning, the United States and its followers finally conducted a hostile act of abusing the UN Security Council to dare to find fault with our peaceful launch of a satellite. On 14 April, the UNSC announced a brigandish presidential statement that denounces and condemns our satellite launch. There has never been a case in history that the UNSC took issue with a satellite launch. The fact that the UNSC, which is seated by those countries that launched satellites the most as UNSC permanent member states, has taken issue with and discussed our peaceful satellite launch fairly proceeded in accordance with the procedures of the international law is an unbearable insult to our people and a criminal act never to be tolerated. The hostile forces are raving that our satellite launch has brought about the result of improving long-range missile capabilities, but the essence of the incident lies elsewhere.

**Whether it is a satellite launch or a long-range missile launch**, the gravity of the problem is that the UNSC's standard of behavior changes depending on who launched it.

**The US theory is that since Japan is its stooge, [their] satellite launch does not matter**; but since we have a different system and are not obedient [to the United States], we should not launch a satellite. The UNSC has just accepted and swallowed the US brigandish theory as it is. The UNSC's act is a violent infringement of international law, contradicting the [Outer] Space Treaty's stipulation that space should be freely developed and utilized by all countries in accordance with international law, on an equal basis without any discrimination .... To cope with the created situation, the DPRK Foreign Ministry presently announces the following: First, [we] decisively denounce and reject the extremely unjust act of the UNSC that violently infringed on our Republic's sovereignty and gravely defiled our people's dignity. We will continue to exercise our independent right to use space not based on the tyranny of the UNSC, which has deteriorated into the tool of highhandedness, but based on international law, such as the space treaty which reflects international society's collective opinion. Second, the Six-Party Talks, in which we are participating, are no longer necessary. **The spirit of respecting sovereignty and equality of sovereignty -- which is specified in the 19 September Joint Statement for the denuclearization of the Korean peninsula -- is the basis and life of the Six-Party Talks. Now that the [Six-Party] Talk-participating countries themselves have come out to deny this spirit head-on in the name of the UNSC and now that Japan -- which has viciously interfered with Six-Party Talks from the beginning -- has openly applied even independent sanctions on us while finding fault with the recent satellite launch, the Six-Party Talks have irrevocably lost its meaning for existence.** Now that the Six-Party Talks have changed into an arena which infringes upon our sovereignty and which aims only at disarming us and overthrowing our system, we will never participate in such talks and will no longer be bound to any agreement of the Six-Party Talks. In order to perfect our juche-oriented nuclear power industrial structure, **we will actively examine the construction of a light water reactor power plant of our own.** Thirdly, **we will strengthen our self-defensive nuclear deterrent in every way.** To cope with the increased military threat by the hostile forces that are rushing to intercept even a peaceful satellite, it is inevitable for us to further strengthen our nuclear deterrent. Measures will be taken in which **nuclear facilities that became neutralized in accordance with the agreement of the Six-Party Talks will be restored to the original state for normal operation, and as a**

**part of this, spent fuel rods from the pilot atomic power plant will be reprocessed.**

There is no greater miscalculation than the hostile forces' thinking they could make us yield by force. Our independent, military-first fundamental purpose is that we can never repeat the disgraceful history of 100 years ago in which we were infringed upon and enticed this way and that way by the neighboring powers because our national power was weak and were ultimately completely swallowed up by the Japanese imperialists. Even though the Six-Party Talks are gone and the denuclearization process has become ruptured by the hostile forces, we will responsibly defend peace and stability on the Korean peninsula with the military-first might. (KCNA, "DPRK Foreign Ministry Vehemently Refutes UNSC's 'Presidential Statement,'" April 14, 2009)

North Korea, angered by a U.N. rebuke of its recent missile launching, declared that it would permanently pull out of nuclear disarmament talks and restart its nuclear program. It also expelled United Nations inspectors from the country. "If you tried to do a grand bargain with these guys right now, it's not clear that they would want to," said Marcus Noland, an expert on North Korea at the Peterson Institute for International Economics. "This is a situation in which no one can afford to look conciliatory to an adversary." Siegfried S. Hecker, a professor at Stanford University who has extensively toured the plant, said it would take six months to rebuild the cooling tower that North Korea blew up in June 2008 as part of an earlier agreement. But Dr. Hecker said the North Koreans could begin reprocessing plutonium from an existing cache in a couple of weeks. That would allow them to make at least one additional bomb, he said, which might embolden them to conduct another test and refine their bomb-making expertise. "With Yongbyon disabled, it meant no more bombs and no better bombs," Dr. Hecker said. Dr. Hecker said that throwing out inspectors also raised the risk that North Korea could sell nuclear material to other countries. (Mark Landler, "North Korea Say It Will Halt Talks and Restart Its Nuclear Program," *New York Times*, April 15, 2009, p. A-5)

4/15/09

South Korea has delayed announcing its participation in a U.S.-led global effort to stop the trafficking of weapons of mass destruction, a government official said, amid speculation that Seoul is making a last-minute review of the timing in consideration of pending issues with North Korea. "The government will not make the announcement today or tomorrow," foreign ministry spokesman Moon Tae-young told reporters. "It will be made by the end of this week." Moon did not provide a clear reason for the postponement, only saying the government has yet to finish internal procedures and consultations with related countries. "The government seems to be considering when to announce the decision due to rapidly escalating regional tensions," a diplomatic source said. "The government is also seeking cooperation from China and Russia in minimizing the impact of its participation in the PSI." (Lee Chi-dong, "S. Korea Puts off Announcing Participation in PSI," April 15, 2009)

North Korea's rapid moves to eject international inspectors and restart its nuclear facility have left the Obama administration scrambling to demonstrate resolve while leaving the door open to talks that will defuse the latest crisis on the Korean Peninsula. The administration yesterday proposed imposing United Nations financial sanctions on 11 North Korean companies it says are involved in the country's lucrative trade in ballistic missile technology. But U.S. officials have balanced punitive actions with frequent official statements that North Korea should return to six-nation talks on eliminating its

nuclear stockpile. In Washington, White House press secretary Robert Gibbs said yesterday that the administration is "anxious for the North Koreans to come back to the table, the same place where in September 2005 they made an agreement to dismantle their nuclear program." The United States yesterday presented a U.N. sanctions committee with a list of companies, including Korea Mining Development Trading Corp. (Komid) and Tanchon Commercial Bank, saying they have helped the country buy and sell ballistic missile equipment in violation of U.N. resolutions. The United States imposed its own bilateral sanctions on the two companies in 2005. The companies named today by the United States have proved adept at evading sanctions. Komid, which was previously known as Changgwang Sinyong Corp., has operated under at least three names. The United States sanctioned Changgwang Sinyong in April 2000 after it uncovered evidence of its export of missile systems to Iran. The U.S. government also imposed sanctions on the company in August 2002 for transferring missile technology to Yemen, and again in March 2003 for selling missile technology to the Khan Research Laboratories in Pakistan. (Colum Lynch and Glenn Kessler, "U.S. Looks to Balance Response to N. Korea," *Washington Post*, April 15, 2009)

Japan will ask the U.N. Security Council's Sanctions Committee on North Korea to freeze the assets of 14 Pyongyang-related companies and organizations, three more than a U.S.-planned list of 11 such bodies, government sources said today. The three are Korea Tonghae Shipping Co., Pyongyang Informatics Center and Ponghwa Hospital. In 2006, the Japanese government listed 15 North Korean bodies as targets for financial sanctions, including the three organizations, after North Korea test-fired seven ballistic missiles in July that year. (Shirakawa Yoshikazu, "11 DPRK Firms 'on U.S. Sanctions List,'" *Yomiuri Shimbun*, April 16, 2009)

The U.S. government is positively considering approving a North Korea visit by a group of American scientists following Pyongyang's invitation to discuss ways of boosting academic exchanges, a report said. North Korea had sent its scientists and technicians to Syracuse University in New York for joint research projects since 2001, but the program was suspended after the last such visit in 2005, said Radio Free Asia, a Washington-based station. If approved by the U.S. State Department, David Baltimore, a 1975 Nobel laureate in physiology and medicine, and several scientists and U.S. university officials will travel to North Korea in July, the report said, quoting Stuart Thorson, a Syracuse University professor who is deeply involved in the exchange program. "Although the current situation may change this, they've asked to send a science delegation to Pyongyang sometime in early summer of this year" to develop exchanges in science and technology, Thorson was quoted as saying in a forum hosted by the Korea Economic Institute in Washington. (Yonhap, "U.S. Positively Reviewing Scientists' Visit to N. Korea," April 16, 2009)

Jang Song Taek has recently emerged as a decisive player in the drama of who might succeed the ailing 67-year-old Kim in a country that remains defiant in the face of international pressure to dismantle its nuclear arsenal. Looking weak following a suspected stroke in August, Kim last week publicly anointed Jang as his second in charge, analysts say, naming him to the powerful National Defense Commission. "North Korea is a Confucian society wedded to clan and tribe. Kim Jong Il believes only blood

clan can continue the dynasty -- and that means one of his three sons," said Jang Sung-min, author of the book "War and Peace: Where Is North Korea Headed After Kim Jong-il?" "But if Kim is incapacitated and does not prepare carefully for his sons, Jang may try to take advantage and seize power." (John M. Glionna, "North Korea's Mysterious Power Broker," *Los Angeles Times*, April 16, 2009)

4/16/09

Korea promised to play an active role in international efforts to stabilize Pakistan and Afghanistan. U.S. special envoy to Afghanistan and Pakistan Richard Holbrooke met President Lee Myung-bak, Foreign Minister Yu Myung-hwan and presidential foreign affairs and security aide Kim Sung-hwan. Yu is expected to unveil Seoul's pledges of aid to Islamabad during an international donors' conference today in Tokyo. The World Bank and Japan co-hosted the one-day meeting of "Friends of Democratic Pakistan." Islamabad plays a key role in a U.S.-led fight against al-Qaida and Taliban insurgents, who are holed up in the area near its northern border with Afghanistan. For Afghanistan, Korea is considering **increasing the number of its aid workers and dispatching police officers and firefighters to train Afghans**. It also plans non-military assistance, including building hospitals and schools and providing medical support. Currently, 24 Korean medical and job training experts take part in the U.S. Provincial Reconstruction Team in Bagram, north of Kabul. (Hwang Jang-jin, "Seoul to Help Pakistan, Afghanistan," *Korea Herald*, April 17, 2009)

Four U.S officials working at Yongbyon have been asked to leave the country along with IAEA inspectors. DoS acting spokesman Robert Wood said, "The North is going to have to deal with consequences of such decisions. And they just bring upon themselves further isolation from the international community." (Foster Klug, "U.S.: U.S. Experts Asked by N. Korea to Leave Country," *Associated Press*, April 16, 2009)

The U.S. government is positively considering approving a North Korea visit by a group of American scientists including David Baltimore to develop exchanges in science and technology. "Although the current situation may change this, they've asked to send a science delegation to Pyongyang sometime in early summer of this year," Stuart Thorson, a Syracuse professor involved in the effort, told a forum hosted by the Korean economic Institute in Washington. (Yonhap, "U.S. Positively Reviewing Scientists' Visit to N. Korea," April 16, 2009)

Japanese precision tools and steel were found in missile-making equipment taken from a North Korean freighter detained at an Indian port in June 1999 while en route to Pakistan, a former senior Indian official said. While North Korea is known to have provided missile knowhow to Pakistan in return for nuclear weapons technology, this is the first concrete example of how Japanese equipment has played a part in North Korea's proliferation of missile technology. K. Santhanam, a senior official in India's Defense Research and Development Organization, told Kyodo News that the North Korean cargo contained a device for three-dimensional measuring, a numerically controlled machine tool, maraging steel and other Japanese high-tech products. He said he directed the search of the freighter *Kuwolsan* in his capacity as chief adviser to DRDO, part of the Indian Defense Ministry involved in missile development. The *Kuwolsan*, described by some media reports as a "hidden missile factory," was detained

during a stop at Kandla in the province of Gujarat. The Japanese firms named by Santhanam as the purported manufacturers of the high-tech instruments and maraging steel, which is used in rocket and missile frames, have denied exporting any of their products to North Korea. Indian authorities believe North Korea acquired the Japanese products through China or other countries. (*Japan Times*, "North 'Missile Factory' Used Japan Parts," April 19, 2009)

4/17/09

Washington added pressure on nuclear-armed North Korea by warning of "consequences" for its recent rocket launch and the latest decision to kick out nuclear inspectors. DoS acting spokesman Robert Wood said a committee under the UN Security Council held a meeting on April 15 to expand sanctions against North Korea for its long-range rocket launch. The committee will agree on a list of goods and entities seen as assisting the North's arms programs, Wood said. "And that will be made public, as you know, and then member states will be required to prevent the North from getting access to these goods and entities from supplying the types of material that we don't want to see get to the North," he said. Wood also went further to condemn the North's decision to walk away from the six-nation nuclear disarmament talks and restart its nuclear arms programs. The North has expelled international inspectors from its main nuclear facilities. "IAEA inspectors departed [North Korea] on April 16," International Atomic Energy Agency spokesman Marc Vidricaire said in a statement. According to the watchdog agency, containment and surveillance equipment installed at the weapons-grade plutonium processing facility in Yongbyon by the inspectors were removed before their departure. "The international community has required that the North take certain actions and not take certain actions," Wood said. "The North has not listened to the will of the international community, and therefore it's going to have to face the consequences from its unwillingness to meet the international community's requirements." While coercing Pyongyang with additional sanctions for "a pattern of bad behavior," Wood also said the United States has had "conversations" with the North. "We have relayed our views to the North," he said, without elaborating about the talks. How the North reacted to the U.S. message is unknown. An unnamed senior U.S. official was quoted as saying by AFP that the communication was through North Korea's mission to the United Nations in New York. (Ser Myo-ja, "Washington Puts Pressure on North over Provocations," *JoongAng Ilbo*, April 18, 2009)

An unidentified North Korean military spokesman said South Korea's full participation in the Proliferation Security Initiative would be seen "as a declaration of undisguised confrontation and a declaration of a war" against North Korea. South Korea's Unification Ministry expressed regret Sunday over the North's threats and said joining the program would not be a "declaration of confrontation or war." (Kwang-tae Kim, "Two Koreas to Hold First Dialogue in Year," Associated Press, April 19, 2009)

North Korea's Central Special Development Guidance Bureau governing the Kaesong Industrial Complex on the North side notified them Kaesong Industrial District Management Committee has proposed inter-Korean contact on April 21 in Kaesong, saying that it has "an important thing to inform" the South, it was belatedly confirmed today. (*Korea Times*, "North Proposes Inter-Korean Contact in Kaesong over 'Important Thing,'" April 18, 2009) The meeting concerns "business involving the Kaesong

industrial zone." North Korea detained an employee of Hyundai Asan for allegedly making critical remarks about the North Korean regime and trying to talk a female North Korean employee into defecting. (Kyodo, "S. Korea Accepts N. Korea Proposal to Hold Talks Tuesday," April 19, 2009)

Abe Shinzo, told a symposium at the Brookings Institution, said, "I personally believe it's very useful to have a regular meeting of all our heads of state of Japan, the United States and China." (Kyodo, "Abe Proposes Regular 3-Way Summit among Japan, U.S., China, April 17, 2009)

Chief Cabinet Secretary Kawamura Takeo took issue with an assertion by government representative Yachi Shotaro that Japan could settle for the return of three and a half, instead of four of the disputed Northern Territories. Kawamura made clear that it was not Tokyo's official stance. In an interview in this morning's edition of *Mainichi Shimbun*, Yachi said Japan could settle for the return of three islands and groups of islets along with part of the island of Etorofu, if such a concession would help break a stalemate in talks with Russia. Kawamura told a news conference "the government has never taken the stand mentioned in the interview article." (*Asahi Shimbun*, "Kawamura: Stance on Isles Is Firm," April 18, 2009)

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Jennifer Lind: "Ideally, countries would offer their victims the contrition they deserve. Through public apologies, reparations, and trials, victims of terrible suffering receive some measure of justice. But in the real world, the backlash that such contrition engenders is counterproductive to reconciliation. A better approach is to acknowledge the harms done while looking forward. Japan would greatly improve its relations with its neighbors by following the prudent and promising model set by Adenauer rather than mimicking the contrition that West Germany offered later. The sooner Japan does so, the sooner it will be able to assume the kind of leadership that would benefit not only Japan but also the rest of the world." (Jennifer Lind, "The Perils of Apology," *Foreign Affairs* (May/June 2009) p. 146)

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Former finance minister Nakagawa Shoichi, who is known for hawkish views, said in a speech, "We have to discuss countermeasures" against missile threats from North Korea, according to Kyodo. "It is commonsense worldwide that in a purely military sense, it is nuclear that can counteract nuclear," Nakagawa was quoted by Kyodo as saying. He said Japan should discuss the topic. Referring to North Korea's rocket launch, Nakagawa said Pyongyang has "taken a step toward a system whereby it could shoot without prior notice." Nakagawa resigned as the finance minister in February after appearing to be drunk at a televised press conference in Rome. He caused a stir in 2006 when he suggested a debate about going nuclear, prompting then-Prime Minister Abe Shinzo to say Tokyo had no intention of developing atomic weapons. Nakagawa made those comments as chairman of the party's policy research council. His latest remarks were sharply at odds with President Barack Obama's goal of eliminating nuclear weapons. (AFP, "Lawmakers: Japan Lawmaker Calls for Nuclear Debate," April 20, 2009)

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Mohamed ElBaradei, director general of the International Atomic Energy Agency, told a press conference on the sidelines of a ministerial conference on nuclear energy in



Beijing, "We've been dealing with this issue for 17 years, and this is the worst example of dealing with non-proliferation. And **through our mismanagement**, I might say, we have ended up with North Korea just having moved from a processing capacity into a country with nuclear weapons," ElBaradei said. "North Korea for us has been a history of setbacks," he said, adding that the latest development, in which Pyongyang last week expelled U.N. nuclear inspectors after being censured by the international community over its April 5 rocket launch, marks "yet another setback." ElBaradei did not specify who was responsible for the "mismanagement," but called for a quick solution before North Korea rebuilds its nuclear capabilities. "It's a question of time if they want to again restart all the facilities. Even the tower they can rebuild," he said, referring to the water cooling tower at the Yongbyon nuclear complex that was blown up last year. (Kyodo, "IAEA Chief Calls Nuclear Standoff with N. Korea a Lesson in 'Mismanagement,'" April 20, 2009) ElBaradei said, "Maybe we will have to go through a period of confrontation, if you like, but I hope that will be short and I hope that the six-party (talks) will be resumed and the IAEA can return," he said. "There is no other solution apart from dialogue... The only way to resolve these issues is not through flexing muscles but to try to engage the root causes," he said. (BBC, "IAEA Chief Urges N. Korea Dialogue," April 20, 2009)

4/21/09

North Korea threatened to withdraw cheap labor and other incentives for South Korean factories in a joint industrial complex during rare but brief talks between the countries. The two sides wrangled for 11 hours over which building to meet in and what to discuss at the complex, in the North Korean border town of Kaesong. After they finally sat down to talk, the session ended in 22 minutes. "North Korea said it will reconsider all privileges it has given to the South at Kaesong," the South Korean government said in a news release. The North demanded talks on "readjusting wages to a realistic level." About 90 factories run by South Koreans make kitchen utensils, shoes and electronic parts, employing 39,000 North Korean workers at an average monthly wage of \$70 to \$75 per worker. The factories produced \$251 million in goods in 2008, a 36 percent increase over 2007. (Choe Sang-hun, "Joint Project Puts 2 Koreas at Odds Again," *New York Times*, April 22, 2009, p. A-7)) North Korea warned South Korea that joining of the Proliferation Security Initiative will lead to "confrontation" between the divided Koreas, said officials in Seoul on April 21. Kim Ho-nyon, a spokesman for Seoul's unification ministry, also confirmed the issue was brought up at the talks held yesterday. "When you look at a message or a keynote speech, there is what can be called an introduction similar to that of a written document. I believe the North Korean side did mention the PSI issue in that section (of its notice)," the spokesman told a press briefing, without giving further details. An official at the presidential office Cheong Wa Dae said Seoul's decision to join the anti-proliferation regime remained unchanged, but that the government was still mulling over when would be the most appropriate time to make the announcement. "The PSI has nothing to do with North Korea, therefore the meeting in Kaesong will not affect our decision," the official said, asking to remain anonymous due to the sensitivity of the issue. North Korea also renewed its accusation against Seoul's Lee Myung-bak administration, insisting it has destroyed the spirit of the so-called "By Our Nation Itself" stance and escalated tension since its inauguration 14 months ago, the source said. "They said because of this, the Kaesong industrial park project now faces a serious crisis," the source said. According to Seoul's statement, North Korea demanded South Korean firms in Kaesong start paying land use fees from

next year instead of 2014 as previously agreed. The communist nation also called for renegotiation of terms of the joint economic venture, including wages for North Korean workers at Kaesong. Still, the source said the tone of the North's rhetorical accusations against Seoul appeared to have been much "eased." Another informed source, however, noted the difference is only in how the message was delivered. "It is too early to conclude that the North has eased its stance because North Korea tends to soften its remarks when they are put in official documents as opposed to when they are delivered through media or other means," the source said. South Korea will continue to work with North Korea through dialogue to ease tension between the divided Koreas and resolve issues, an official at the presidential office Cheong Wa Dae said one day after North Korea demanded South Korean firms start paying more money to maintain a joint industrial park. "It can be said that a momentum for talks has now been secured," the official told reporters of the inter-Korean dialogue held yesterday in the North's border town of Kaesong. At the meeting, North Korea demanded negotiations to revise current agreements that govern the joint industrial park in Kaesong, including payment of land use fees from next year. The fees were initially waived for 10 years. Seoul responded with its own proposal for a fresh round of talks between the two Koreas to discuss inter-Korean and other related issues. The Cheong Wa Dae official, speaking on condition of anonymity, said the government has yet to decide how to react to the North Korean demands. "We are still in a phase where we still have to analyze [the demands] to figure out what their true intentions are," he said. (Byun Duk-kun, "Cheong Wa Dae Says Seoul Will Continue Talking to N. Korea," Yonhap, April 22, 2009) "North Korean delegates at the talks demanded we give them a date for the next round of talks on the Kaesong project as soon as possible," a Cheong Wa Dae official said. The government will likely accept the North's proposal for talks, which Seoul officials see as technically state-level dialogue since the South Korean delegation on Tuesday was led by government officials. "The government is still trying to figure out the North's intentions behind its demands," Unification Ministry spokesperson Lee Jong-joo said on April 23. "The North did not suggest a specific date for the talks," she said, denying a local news report that the North proposed to meet within a week. During the talks, Pyongyang threatened to take tough measures against South Koreans should Seoul criticize its demands regarding the joint venture, according to a newly unveiled statement that the North delivered to the South. "We will take stronger measures if the South exacerbates the situation by once again by making absurd accusations against our notice," led the North's statement disclosed by Yonhap. "We are making patient efforts to save and normalize the Kaesong industrial district." The North held the South responsible for its decision to review the "benefits" and claimed that it was losing from the industrial park. Noting that it has done its best for the industrial venture because it was a symbol of the inter-Korean joint declaration in June 2000, the North said it "had no choice but to start from scratch as the South's government was defaming our dignity and political system." "South Korean companies are gaining hundreds of millions of dollars in annual profit, whereas we are receiving only about \$30 million for the work by nearly 40,000 of our workers," the North said in the statement. "We believe we should raise land fees and wages as we cannot keep losing out under the existing contract." South Korean companies wire North Korean employees' wages of about \$73 per person to North Korean government bank accounts. A total of \$26 million was paid in wages to the North last year, according to ministry data. The North also said it will start charging the

South for land use in Kaesong from next year. It had initially agreed to a 10-year grace period until 2014. Koh Yu-hwan, professor of North Korean studies at Dongguk University, said that Pyongyang's logic behind its demands is that the "special relationship" between the two Koreas has ended. "North Korea had agreed to offer labor at a cost much lower than international standards because the Gaeseong project was meant to be based on brotherhood with the South, rather than a state-to-state relationship," Koh said. "The South has stopped providing food and fertilizer under the Lee Myung-bak administration, so the North, cash-strapped and internationally sanctioned, is saying it will end the special ties unless the South offers money or aid." The North's invitation of South Korean government officials to Tuesday's meeting could have been a sign that it wants Seoul to provide aid if the companies in Gaeseong can't give raises, Koh said. (Kim So-hyun, "'Koreas to Meet in Near Future,'" *Korea Herald*, April 24, 2009) North Korea accused South Korea of moving one of 1,292 border markers several dozen yards toward the north. It called the move a "serious military provocation" and warned it would take a "measure for self-defense and the South Korean warmongers will be held entirely accountable for all the ensuing consequences" unless the marker was restored. (Choe Sang-hun, "North Korea Says Border Was Altered," *New York Times*, April 23, 2009, p. A-13) Unification Ministry: "On April 21 the South and North Korean delegations had a contact at the DPRK's Special District General Bureau and exchanged each other's position. At the meeting, the North Korean delegation conveyed its position to the South Korean counterpart as follows: 1) The North will make an overall review on institutional favors that it granted to the South in proceeding with the GIC project. To begin with, it will re-make the land lease contract for the GIC from the scratch, and shorten the grace period to six years from the original ten years. Therefore, the South is now required to pay its land royalty starting from 2010, instead of 2014. In addition, wages paid to the North Korean workers in the GIC need be adjusted to a realistic level. 2) The North will call for initiating negotiations to review existing contracts with regard to the GIC project. The South must fully cooperate with the North in holding necessary contacts in this regard. In response, the South Korean delegation delivered the North its position as follows: 1) The North should immediately stop taking tension-creating actions as it did in the past by nullifying inter-Korean agreements governing the elimination of political and military confrontation between the two Koreas, as such provocative measures only raise disappointments and concerns from the international community. South Korea's participation in the Proliferation Security Initiative (PSI) which Pyongyang has recently taken issue with needs to be understood as a pursuit of a universal value of protecting the safety of mankind. Apparently, it is unreasonable for Pyongyang to make such a claim that the participation is a declaration of confrontation or a war against the North, given the fact that basically it is the Inter-Korean Agreement on Maritime Transportation that governs the maritime areas surrounding the Korean peninsula. The South believes that the North, too, wants to pursue peace and stability of the international community, and thus join the international community's efforts in this regard. 2) With regard to a South Korean worker being held in custody by the North Korean authority, Seoul would like to point out that the North is violating inter-Korean agreements and demand that it should immediately hand him over to the South Korean authority. 3) The South urges the North to rescind measures it took on December 1, 2008 such as restricting South Korean citizens' cross-border travel and stay in the North Korean territory. 4) Emphasizing that

Seoul is refraining from making denunciations on the North's supreme leader in the spirit of mutual respect and in accordance with inter-Korean agreements, it strongly urges Pyongyang to immediately stop making verbal attacks and derogatory remarks against South Korea's supreme leader. 5) The South proposed holding further inter-Korean contacts in order to address pending issues between the two Koreas including the entry and stay in the GIC. We strongly urged Pyongyang to immediately hand over the South Korean citizen being held in custody by the North Korean authority. Forceful detention of the citizen is direct violation of the Clause 3 of Article 10 of the "Agreement on the Entrance, Exit and Stay in the Gaeseong Industrial Complex Zone and Mt. Geumgang Tourism Zone," which states the basic rights. Therefore, we called for North Korea to immediately release the detainee without any further delay. We made it clear that, if the North does not release the detainee immediately, the ROK government will take a decisive action and the North must assume responsibility for any consequences. The North Korean delegation, however, flatly rejected our demand, claiming that the detention of the South Korean citizen is irrelevant to this round of inter-Korean contact. Taking into consideration the seriousness of this matter, the South Korean delegation decided to postpone its departure for Seoul and kept demanding the North to allow the detainee the rights to have an access to and counsel with a lawyer and to hand him over to South Korea. In the meantime, there had been several problems with the formality of the meeting; the North did not even inform us of the agenda for the contact beforehand. Despite such problems, our delegation was willing to make a trip to Kaesong, because we viewed the detention of a South Korean citizen with a grave concern as it is not just a matter of an individual's detention but a matter greatly affecting the South Korean people and inter-Korean relations as a whole. The North, however, has made no efforts to address the issue. Instead, they took measures in order to justify prolonged detention which has only worsened the situation. It is hardly understandable that they refused to discuss over such a critical issue with our delegation which in fact went there at the invitation of Pyongyang. The North did not respond to our calls for immediate withdrawal of the measures to restrict cross-border travel and stay in the North of South Korean citizens, nor did it cooperate with us for the stable development of the GIC. We express regret over the fact that North Korea keeps doing unreasonable behaviors including the recent rocket launch which requires enormous cost, while turning a blind eye to projects that can relieve the internal hardship and give practical benefits to its people such as the development of the Kaesong complex in a stable manner. We have remained patient and calm in dealing with the situation, called for the North to come forward to the dialogue, saying that the door to talks are always widely open. We also reiterated this position at the meeting. We hope that the North work with us to improve inter-Korean relations through dialogue and cooperation and to join in the international community's efforts to achieve peace and stability on the Korean peninsula. Despite unfavorable conditions, the South Korean delegation made its best efforts to guarantee the safety of the detained employee and his safe return to the South. It is regrettable that we failed to achieve a desired outcome due to the North's hostile attitude. We are very sorry for his family in that regard. We warned the North clearly that, if it handles the case unilaterally, the North cannot get away with this and surely bear serious consequences. Once again, we reiterate that the North must take our warning seriously. The government would like to

ensure to its people that we will do our utmost efforts for the safe return of the detained employee. (ROK Ministry of Unification Press Release, April 23, 2009)

Kissinger op-ed: "The administration's task, particularly with regard to North Korea and Iran, will be to keep the far-flung negotiations led by energetic personalities heading toward an agreed goal. In the process, it must navigate between two kinds of public pressures toward diplomacy endemic in American attitudes. Both seek to transcend diplomacy's traditional give-and-take. The first reflects an aversion to negotiating with societies that do not share our values and general outlook. It rejects the effort to alter the other side's behavior through negotiations. It treats compromise as appeasement and seeks the conversion or overthrow of the adversary. Critics of this approach, who represent the second sort of pressure, emphasize psychology. They consider the opening of negotiations an inherent transformation. For them, symbolism and gestures represent substance. Proliferation is perhaps the most immediate illustration of the relationship between world order and diplomacy. If North Korea and Iran succeed in establishing nuclear arsenals in the face of the stated opposition of all the major powers in the U.N. Security Council and outside of it, the prospects for a homogeneous international order will be severely damaged. In a world of multiplying nuclear weapons states, it would be unreasonable to expect that those arsenals will never be used or never fall into the hands of rogue organizations. A new, less universal approach to world order would be needed. The next (literally) few years will be the last opportunity to achieve an enforceable restraint. If the United States, China, Japan, South Korea and Russia cannot achieve this vis-à-vis a country with next to no impact on international trade and no resources needed by anyone, the phrase "world community" will become empty. North Korea has recently voided all concessions it made in six years of talks. It cannot be permitted to sell the same concessions over and over again. The six-power talks should be resumed only if Pyongyang restores the circumstances to which it has already agreed, mothballing its plutonium reactor and returning international inspectors to the site. When those talks resume, the ultimate quid pro quo must be the abandonment of the Korean nuclear weapons program and the destruction of the existing stockpile in return for normalization of relations at the end of the process. Since the outcome affects all neighbors of North Korea, and since the Korean nuclear program threatens them more than it does the United States, calls to place the emphasis on bilateral Korean-U.S. talks amount to a call for isolating the United States." (Henry A. Kissinger, "Obama's Foreign Policy Challenge," *Washington Post*, April 22, 2009)

South Korea again delayed joining PSI. Officials have different views on whether PSI participation should be "temporarily" suspended or "indefinitely" put on hold. Some analysts are concerned about the potential of a heated internal debate regarding the timing of the announcement of official participation in the anti-proliferation drive. Diplomatic lines in the Cheong Wa Dae, foreign ministry and unification ministry do not see the need to indefinitely suspend the announcement as they say PSI participation has nothing to do with North Korea. They attribute the temporary hold on the situation to North Korea's detention of the Hyundai Asan worker, and the unexpected proposal by Pyongyang for the April 21 meeting between the two Koreas. Differing opinions, however, are being heard from political affair officials within the Cheong Wa Dae. Citing

the need to bring the strained inter-Korean relations back to normal, they argue that the decision to join in PSI should be put on hold indefinitely. They believe that although North Korea has heightened its belligerent rhetoric, it will have no choice but to help improve inter-Korean relations for political and economic reasons. They add that if South Korea goes ahead with PSI participation; the already-frozen inter-Korean relations will end in disarray that will cost South Korea. A Cheong Wa Dae official, who calls for caution in joining PSI, said, "Because diplomatic and security issues are quite volatile and things are not good now, it seems that indefinitely delaying participation could be an option." (*Hankyore*, "A Divided Cheong Wa Dae Awaits President Lee's Decision on PSI," April 22, 2009)

A government task force has suggested the introduction of an early warning satellite that can detect missile launches, in its draft of the nation's first basic plan on the development and use of space. The task force also proposed in the draft a lunar expedition as a pillar of the nation's space development strategy, aimed at utilizing resources from the moon. The nation currently has three information-gathering satellites in orbit. The task force proposal would put a fourth satellite up within five years. Overall, the government would launch 34 satellites over five years through 2013, according to the latest space strategy. (*Yomiuri Shimbun*, "Government Panel Proposes Early Warning Satellite," April 23, 2009)

4/22/09

Secretary of State Hillary Clinton has apparently decided on a different North Korea policy from the one she planned three months ago. At a hearing by the U.S. House Committee on Foreign Affairs today in a reply to a question by Republican Rep. Dan Burton, she said, "I think we have to be strong, patient, persistent and not give in to the kind of back-and-forth, the unpredictable behavior of the North Korean regime." In her confirmation hearing on Jan. 13, she said, "We will... act with urgency to prevent proliferation in North Korea and Iran, secure loose nuclear weapons and materials, and shut down the market for selling them." A diplomat in Washington speculated, "Nobody can rule out that North Korea will launch some provocation in time with President Lee Myung-bak's scheduled visit to the U.S. in June." (*Chosun Ilbo*, "U.S. Changes Course on N. Korea," April 24, 2009)

4/23/09

Wikileaks cable: Monday, 27 April 2009, 06:35  
 C O N F I D E N T I A L SEOUL 000672  
 SIPDIS  
**EO** 12958 DECL: 04/27/2019  
**TAGS** PGOV, KN, KS  
**SUBJECT: MND: DPRK MILITARY RHETORIC AND NATIONAL DEFENSE**  
 COMMISSION CHANGES ARE ABOUT SUCCESSION  
 Classified By: POL M/C **Joseph Y. Yun**. Reasons 1.4(b/d)

**Summary** South Korean military officials tell the Americans that North Korea's aggressive behaviour and its other policy steps must be set in the context of a potential succession struggle as Kim Jong-il's grip on power weakens. Key passage highlighted in yellow.

1. (C) SUMMARY: The DPRK's recent restaffing and expansion of the National Defense Commission (NDC) and its hostile military rhetoric over the last several months are related to the DPRK leadership's "top priority" need to stabilize the DPRK internally in preparation for succession, according to **Colonel Lee Sang-chul, Ministry of National Defense North Korea Policy Division Director and lead ROKG representative to Colonel-level military-to-military talks in October 2008**. A second priority was to achieve improved relations with the United States, which the DPRK regards as its only potential security guarantor, ironically. END SUMMARY.

Military Statements and the NDC

2. (C) In an **April 23** meeting, **Lee told Poloff that the Korean People's Army's (KPA) spate of high-level announcements over the past several months (such as the March 8 KPA Supreme Command report, the first in 15 years, and the four KPA General Staff statements since January, not seen since 1999) should not be misinterpreted as the DPRK military asserting control over the country, because the military could act only in concert with the Worker's Party and the Cabinet. Instead the "generals appearing on TV" was a phenomenon directed at DPRK citizens with two goals: to show that the DPRK's hostile external situation meant citizens had to pull together, and as a "power display" to send a law-and-order message to counter the increasing economic disorder resulting from decades of economic "depression."** There was **dissatisfaction among some elite groups in the DPRK**, who knew of economic reform in China and Vietnam and wondered why the DPRK had instead deteriorated. To tamp down this internal dissent, external tension was needed. **The ROKG was not particularly worried about the specific threats to the South contained in the statements** because they saw the statements as targeted at the domestic audience, and in any case knew the DPRK would try to achieve surprise if it were to resort to military action, rather than giving warning.

3. (C) *The key factor in the background was 67-year-old Kim Jong-il's (KJI) waning health. After KJI's August 2008 stroke, the DPRK was a "different environment that needed stronger leadership."* Lee said that before the stroke, KJI was confident that he could rule for years, but afterward he suffered "physical and psychological trauma." **KJI had become obsessed with creating political stability to allow an orderly succession, though Lee did not claim to know who was next in line.** Immediately after the April 5 missile launch the Supreme People's Assembly had declared the beginning of KJI's third ruling period. But rather than celebrating the renewal of his mandate, **KJI was concentrating on changes that would pave the way for succession.**

4. (C) The **most important of these was the enlargement (from 8 to 13 members) and strengthening of the KJI-chaired National Defense Commission (NDC).** The NDC was first established in 1998 with a largely symbolic role, but had since taken on policy and coordination functions. Now it had the lead on succession, **Lee believed. KJI brother-in-law Chang Song-taek's addition to the NDC was important for succession preparation, not only because he was married to KJI's only sibling and close confidante 63-year-old Kim Kyong-hui, but also because Chang was seen as**

having effectively protected and acted for KJI during KJI's fall 2008 recovery period.

5. (C) **Another key change was the replacement of National Defense Commission Deputy Chairman Kim Yong-chun with Oh Kuk-ryul, a 78-year old Kim-family loyalist** (in relative terms, since all senior officials are loyalists) who Lee thought was **consolidating various ROK-surveillance and special operations institutions under his control at NDC. One of these was the Worker's Party's Operations Department, which Oh has headed since 1989.** (Lee also referred to an April 21 JoongAng Ilbo newspaper article claiming that "Office 35," charged with intel collection, and the "External Liaison Office," charged with training agents, had both been moved from the Operations Department to NDC/KPA control, saying that ROK intel sources did not think there was evidence of such a move.) The Operations Department, which formulates actions against the South, was "passive" during the 1999-2007 Sunshine Policy period, but was now becoming more active again. In other words, Oh's job was to keep the South off balance and make sure that it did not disrupt the succession period. Lee said he believed that changes to the DPRK constitution, announced but not yet explained, would also focus on succession-related issues. **He alluded to frequent DPRK propaganda aiming for the establishment of a "strong and prosperous" nation by 2012, saying that DPRK authorities believed they had already succeeded ideologically and militarily, so they were concentrating on the economic side,** which is where the Kaesong Industrial Complex fit in.

6. (C) **The DPRK's determination to maintain internal order meant that it could go so far as to engage in "limited armed conflict" with the ROK.** At the same time, the **DPRK was well aware that ROK forces were ready for any provocation and would respond with superior force.** In addition, the DPRK knew that combined ROK-U.S. surveillance capabilities would prevent it from achieving surprise, so Lee was reassured that no direct military provocation was imminent.

Relations with the U.S.

7. (C) **Asked what the ROKG's policy options were, given the above situation, Lee answered indirectly, saying that the main question was U.S.-DPRK relations. Second only to maintaining internal stability to allow for succession was the DPRK's determination to improve relations with the U.S., because only the U.S. could solve both the DPRK's security and economic problems.** Lee said this push for improved relations was ironic, given DPRK rhetoric attacking the U.S. as a menace, but was nevertheless high on DPRK authorities' agenda. **Lee said the DPRK saw the 1999-2000 rapprochement with the Clinton Administration as the first, failed, chance for peace with the U.S.; that the Bush (43) Administration had turned to negotiations too late for substantial progress; and that the Obama Administration amounted to a "second chance." The DPRK craved a dialogue with the U.S., aiming for a "big deal," but first needed to raise tensions to create the need for dialogue.**

8. (C) The scope for inter-Korean relations depended on what happened with U.S.-DPRK relations. **Lee was convinced that the DPRK would keep tension high towards the**



**South, while seeking an opening with the U.S. Therefore, his recommendation to ROK policymakers was to stay on an even keel to keep the South-North situation from deteriorating further.** The DPRK's April 21 proposal for dialogue about land-use and wages at the Kaesong Industrial Complex was potentially helpful in that regard, but had to be approached carefully, because the DPRK would try to seize the initiative and lock-in economic benefits without offering reciprocal steps. Like other ROKG officials, Lee emphasized the need for continued close U.S.-ROK coordination on all issues related to North Korea.

9. (C) **Lee cautioned that China would seek to prevent U.S.-DPRK relations from improving too much, adding with a smile that had it not been for its attitude toward the U.S., China would have moved to prevent the October 2006 DPRK nuclear weapon test.**

Mt. Kumgang

10. (C) As an aside, Lee commented on the July 2008 shooting death of a South Korean tourist at Mt. Kumgang. **He said that KPA soldiers and sentries in the area, after frequent contact with South Korean tourists, had a tendency to be too relaxed, so KPA officers periodically conducted exercises to tighten discipline. The shooting had occurred during one of those exercise periods.** STEPHENS

4/24/09

The U.N. Security Council agreed to impose financial sanctions on three North Korean firms, marking the first time the United Nations has penalized individual companies linked to Pyongyang's nuclear- and ballistic-missile trade. The three state companies, Korea Mining Development Trading Corp., Tanchon Commercial Bank and Korea Ryongbong General Corp., have previously been sanctioned by the United States for trading missile technology with Iran, Yemen and Pakistan. Their customers included Abdul Qadeer Khan, a Pakistani physicist who is considered the father of his country's nuclear weapons program. The Security Council also agreed to reinforce a trade ban on items that North Korea could potentially use in the development of missiles. Such items include "the latest technology related to ballistic missile technology," according to Turkey's U.N. ambassador, Baki Ilkin, who chairs the council's North Korea sanctions committee. (Colum Lynch, "U.N. Sanctions 3 N. Korean Firms over Missile Launch," *Washington Post*, April 25, 2009)

The DPRK's response to the UN Security Council's "presidential statement," which it regards as an infringement upon its sovereignty, did not stop at refusing to participate in the Six-Party Talks. **After expressing its position to strengthen self-defensive nuclear deterrent, it [the DPRK] set out to restore the Yo'ngbyo'n nuclear facilities, where the work of neutralization had been going on. The assessment to be made by the army, which is in charge of national defense, is likely to play a major role in the future. The events that followed the launch of a satellite have proved that the army's viewpoint was not wrong. In the wake of the adoption of the "presidential statement," the army openly said: "From the beginning, we had no expectations for the Six-Party Talks" (spokesman for the Korean People's Army [KPA] General Staff).** The army's assessment was based on the reality close at hand. Even when the

Six-Party Talks were being held in Beijing and diplomats were discussing the issue of denuclearization, no such things as relaxation of military tension on the Korean peninsula occurred. **Military threat and provocations by US forces stationed in South Korea continued. The KPA once put forward a proposal to the US side for holding "DPRK-US military talks with the attendance of UN representatives" to discuss the issue of guaranteeing peace and security on the Korean peninsula. This [proposal] was put forward when the initial-phase measures for the denuclearization was being implemented in accordance with the six-party agreements. But there was no positive response from the US side.** ... Prior to the inauguration of the Obama regime in January of this year, the DPRK Foreign Ministry stated definitively that "our nuclear-possession status will not change one bit as long as the United States' nuclear threat remains." The United States could move toward the denuclearization of the Korean peninsula by bringing about "changes" in the true sense of its president's words, but it may as well try to maintain the present military confrontation in exchange for the recognition of the DPRK's possession of nuclear weapons. The Obama regime came to confront with a test as soon as it was inaugurated. In the wake of the satellite launch, intent to infringe upon the sovereignty of the DPRK came out into open and the Six-Party Talks broke up. The way the things are shows that the army's argument about US' ulterior motive carries weight. The statement that the [DPRK] Foreign Ministry issued to denounce the "presidential statement," too, stressed the "might of the military-first [idea]," saying: "If the hostile forces thought that they could bring us to our knees by force, nothing could be more mistaken." Regarding the fact that the DPRK has begun the work of restoring the nuclear facilities, some say that it would take months to rebuild the "destroyed cooling tower." However, these nuclear facilities had been in normal operation until the first half of 2007 and plutonium was also being extracted. **A statement issued by the [DPRK] Foreign Ministry in October 2006 regarding a nuclear test claimed that "nuclear test is an indispensable requirement of a nuclear deterrent building process."** The statement at that time noted that a situation that infringed upon the country's supreme interests and security had arisen and cited a UN Security Council "resolution" adopted three months earlier as one of the contributing facts. **The process of denuclearizing the Korean peninsula has broken down on account of the adoption of the "presidential statement" which took issue with the DPRK's satellite launch. At a round of the Six-Party Talks held following the underground nuclear test three years ago, the DPRK said that it would counter the hostile countries' "dialogue and pressure" with "dialogue and a shield." By "shield," it [the DPRK] meant to say that it would "conduct physical tests aimed at expanding and strengthening the nuclear deterrent qualitatively and quantitatively and at improving its performance"** (Vice Foreign Minister Kim Gye Gwan). The Foreign Ministry statement issued in April 2009 denouncing the "presidential statement" mentions "the increased military threats from the hostile forces that tried to even intercept a peaceful satellite launch." **The more pressure the United States and its follower forces put on [it], the more solidly the DPRK will make its status as a country in possession of nuclear weapons. The denuclearization of the Korean peninsula is now at a crossroads.** The DPRK officially adopted the line of self-defensive nuclear deterrent at the first session of the 11th Supreme People's Assembly [SPA] (2003) and conducted a nuclear test three years later. But then it took action measures, including the neutralization of the nuclear

facilities, in compliance with the six-party agreements. At the outset of 2009 when a regime change was taking place in the United States, [the DPRK] stressed the Republic's independent foreign policy designed to "realize the denuclearization and defend the peace and security in Northeast Asia and the world at large" (a joint editorial of the three newspapers). As it happened, **on the day "Kwangmyo'ngso'ng-2" was launched, President Obama delivered a speech on the nuclear issue in Prague, the capital city of Czech Republic. Mentioning the "moral responsibility" of his country, the only country that has used nuclear weapons, he called on [the world] to aspire for a "world free of nuclear weapons."** The president, who advanced a policy plan for scrapping the nuclear weapons, took an action of overturning his own goal by making a provocative remark that "North Korea has violated the rules and, therefore, it must be punished," thereby providing the warring party with the justification to take a "shield." The DPRK, which regards the denuclearization of the Korean peninsula as a "behest" of the leader of the preceding generation, has no objection to a "world free of nuclear weapons." **Were the Obama regime to avoid making the same mistakes of its predecessor regime that pushed the DPRK toward a nuclear test, it should make diplomatic effort to help the [DPRK's] army ease its vigilance and cast distrust away before anything.** (Kim Chi-yoUng, "'Collapse of Six-Party Framework -3-'Crossroad of Denuclearization of Korean Peninsula'" *Chosun Sinbo*, April 24, 2009)

Two U.S. journalists accused by North Korea of crossing into the country illegally from China and committing "hostile acts" will be tried on criminal charges, North Korea announced today. A South Korean who helped organize their reporting trip, the Rev. Chun Ki-won of Durihana Mission, said the women traveled to the border region to interview women and children who had fled impoverished North Korea and were trying to build new lives in China. He said he warned them repeatedly to stay away from the long and often unmarked border. Armed North Korean guards are known to threaten journalists who venture to the region to get a glimpse into the reclusive nation. A cameraman, Mitch Koss, and the group's guide apparently eluded the guards. Under North Korea's criminal code, conviction for illegal entry could mean up to three years in a labor camp. (Jean H. Lee, "Two U.S. Journalists to Be Tried in North Korea," Associated Press, April 28, 2009)

President Obama and PM Aso Taro held a roughly 15-minute telephone conversation early this morning to discuss North Korea, Japan's top government spokesman said. They agreed upon reaffirming the importance of six-party talks. (Nikkei-Dow Jones, U.S. President Obama, Japan P.M. Aso Held Phone Talks on N. Korea," April 24, 2009)

4/23-24

DPRK FoMin spokesman: "The Russian foreign minister and his party visited the DPRK on April 23 and 24 as part of exchanges for significantly marking this year in which falls the 60th anniversary of the conclusion of agreement on economic and cultural cooperation between the DPRK and Russia under the agreement reached between the two ministries toward the end of last year. During his visit the Russian foreign minister paid a courtesy call on the president of the Presidium of the DPRK Supreme People's Assembly and had talks with the DPRK foreign minister. The talks and meetings dealt with the matters on boosting the traditional, friendly and cooperative relations between the two countries, and agreement was reached there. Also discussed at the talks was

the prevailing situation after the release of the UN Security Council's "presidential statement" critical of the DPRK's satellite launch for peaceful purposes. **Both sides recognized that satellite launch is a sovereign right of each country.** The Russian side reconfirmed its stand on the UN sanctions against the DPRK and paid attention to the DPRK's stand that there is no need to hold the six-party talks any longer. (KCNA, "Foreign Ministry Spokesman on Russian FM's Visit to DPRK," April 24, 2009)

4/24/09 A North Korean high-ranking insider reported that Kim Jong-Il stated on April 24, that North Korea wants to "build a mighty nation by 2012," which means North Korea wants to acquire nuclear weapon state status. Kim Jong-Il says that, "South Korea has no capability to control the change of North Korea. It has no option but to follow the results of discussions with the U.S." Kim Jong-Il made this statement after taking a photo with those who provided distinguished service for the rocket launch. (North Korea maintains that it was a satellite launch.) He continued that, at the same time, building a mighty power state is not only to solve economic difficulties but to complete missile and nuclear weapons capabilities to the extent that the U.S. and its gang countries will tremble with fear. He added, "We have only 3 years until 2012, and the most important objective is to acquire a nominal and virtual status of a nuclear weapon state." He continued, "There is no problem of solving current economic difficulties to improve people's lives if we maintain the North Korean way of socialism" and he insisted that they should continue and execute their revolutionary tasks (build a mighty power state) without being affected by any changes. Regarding the participation in six party talks, he added, "acquiring nuclear weapon state status is necessary for obtaining economic concessions through talks with the U.S." He continued that South Korea has no capability to control the change of North Korea and that it has no option but to follow the results of discussion with the U.S. The insider added, regarding Kim Jong-Il's statement, "North Korea will try to acquire a status of nuclear weapon state first. After that, it will maintain that, during the six party talks, it can not give up nuclear power but that it could follow the line of nuclear non-proliferation." (Lee Junwoon, "Kim Jong-il's Objective to Acquire Nuclear Weapon State Status by 2012," *Open News for NK*, May 25, 2009)

4/25/09 DPRK FoMin spokesman: "The reprocessing of spent fuel rods from the pilot atomic power plant began as declared in the Foreign Ministry statement dated April 14. This will contribute to bolstering the nuclear deterrence for self-defense in every way to cope with the increasing military threats from the hostile forces." (KCNA, "Foreign Ministry Spokesman on Reprocessing of Spent Fuel Rods," April 25, 2009)

4/26/09 The government said that it will respond carefully and flexibly to North Korea's move to reprocess spent fuel rods stored at its main nuclear facility in Yongbyon. An official at Seoul's presidential office said, "North Korea took another step in turning its words into action, but **we don't think a response is needed since it was expected.**" (*Dong-A Ilbo*, "S. Korea to Respond 'Flexibly' to Latest N.K. Provocation," April 27, 2009)

Many Western analysts greeted North Korea's failure to put a satellite into orbit early this month with scorn. Others have portrayed the rocket launching not as an embarrassing flop but a technical success that threatens the West with atomic ruin. "This

is a very serious development," Frank J. Gaffney Jr., a former Pentagon official who directs the Center for Security Policy, a private group in Washington, said on the MSNBC talk show "Hardball." Eerily, such upbeat assessments sounded much like those of Pyongyang, which boasted that the satellite was up there after all, broadcasting patriotic tunes from outer space. What gives? Nothing unusual in the strange world of defense lobbying, where threat inflation and deflation can portray the same potential enemy as a dwarf one minute, a towering giant the next. In this case, the hidden agendas centered on the Pentagon's antimissile program, which has consumed some \$100 billion in the last decade and still costs about \$10 billion a year. Analysts pooh-poohing the North Korean launch want that money for arms control, while the ringers of alarm bells want to save the program from administration budget cutters. "The advocates want to scare people, so they hype the threat," said Philip E. Coyle III, former director of weapon testing at the Pentagon and senior adviser to the Center for Defense Information. They see stark portrayals of Korean danger, Dr. Coyle added, "as an opportunity to promote missile defense." Such portrayals take bravado, since the failed launching was North Korea's third unsuccessful bid to loft a satellite in a decade, the splashdown made all the more humiliating by Pyongyang's weeks of drumrolls and world defiance. Still, antimissile backers rose to the occasion. "North Korea has successfully tested a long-range ballistic missile," Riki Ellison, president of the Missile Defense Advocacy Alliance, said in a news release. "This success coupled with the North Korean nuclear weapons makes North Korea a nuclear threat." The technical products upon which these men lavish such hopes and praise already sprawl across the wilds of Alaska and a sister base in California. There, in the last five years, military contractors have installed two dozen interceptor rockets meant to shoot down North Korean warheads. But test flights of the interceptors have repeatedly fallen short, and critics call the supposed protection a mirage. "The U.S. track record for the successful interception of ballistic missiles is not much better than North Korea's track record for launching ballistic missiles," said Tim Brown, senior fellow at GlobalSecurity.org. Antimissile foes take the other tack, demeaning the Korean threat. Joseph Cirincione, president of the Ploughshares Fund, dismissed the Korean test flight as not only a failure but intrinsically nonthreatening. To become a military danger anytime soon, he told CNN, North Korea would need to make bigger missiles and warheads that are more compact to put atop them. "North Korea simply does not have the technical background or institutional capacity," he argued. "It is time to put aside the hype." Engineers tend to inhabit the middle ground, saying that failures teach more than successes and that the North Koreans are slowly – albeit very slowly – learning rocketry. David C. Wright, a senior scientist at the Union of Concerned Scientists, noted that the recent Korean test was less of a failure than the nation's 2006 attempt, and that the flop might provide useful information about how to make improvements. (William J. Broad, "The Rocket Science of Missile Defense," *New York Times*, April 26, 2009, p. IV-3)

Kim Jong-eun accompanied his father, Kim Jong-il, in an inspection tour in late April to Wonsan, a key city in the southeastern part of the country, has been recorded in an official document, a move seen as paving the way for a transfer of power to him. The document, dated April 26, obtained by the *Mainichi*, suggests that the North Korean government has begun to record Kim Jong-eun's activities in an apparent bid to pave the way for a transfer of power to him. The document clearly states it is "the first official

document regarding Comrade and General Kim Jong-eun that has been publicized." It says it records conversations that Kim Jong-il had with activists while giving instructions to the Wonsan University of Agriculture. "I came to the university today with General Kim," the document quotes Kim Jong Il as saying. "The Wonsan University of Agriculture has become a glorious institute that serves the great leader, mother Kim Jong Suk as well as me and General Kim." (*Mainichi Shimbun*, "Kim Jong-il Takes First Step to Pave Way for Transfer of Power to Son," November 30, 2009)

4/27/09

DoS Acting Spokesman Robert Wood: "Special Representative for North Korea Policy Ambassador Stephen Bosworth and Special Envoy for the Six-Party Talks Ambassador Sung Kim met with a delegation of North Korean defectors and advocacy organizations at the State Department. We remain deeply concerned about the human rights situation in North Korea. We will continue to press North Korea to improve its human rights record." (DoS Daily Briefing, April 28, 2009)

Nikkei business daily reported that 32 percent of voters now approve of the Aso administration, up seven percentage points from a similar poll taken a month ago. The rebound has coincided with a political funding scandal surrounding Ichiro Ozawa, who leads the main opposition party. Ozawa was seen as a strong candidate for prime minister before the scandal broke. The Nikkei reported that the prime minister also has gotten a boost from his Cabinet's efforts to revive Japan's economy. Earlier this month, the prime minister unveiled a 15 trillion yen (\$150 billion) stimulus package. Still, 26 percent of those who supported Aso said the main reason was they felt he had a "feeling for international issues." (Associated Press, "Poll: Japan PM Gaining Popularity among Voters," April 27, 2009)

North Korea has reduced public executions and adjusted laws to better address human rights after years of international criticism, but cases of abuse are still widespread, the Korea Institute for National Unification, a state-run think tank in Seoul said in a report White Paper on Human Rights in North Korea 2009. Citing interviews with about 50 North Korean defectors who fled their homeland between 2007 and 2008, it said that North Korea appears to be mindful of criticism from the international community about its human rights condition and has responded with limited changes. The report also noted changes in the legal system in recent years in favor of human rights, such as a 2003 law on the protection of the disabled and revisions to the criminal law in 2004 and 2005 stiffening requirements for permission to interrogate or arrest individuals. "North Korea appears to be reacting sensitively to criticism from the international community, Kim Soo-am, a research fellow at the think tank and major author of the report, told reporters. "Adjusting its legal system and reducing public executions, North Korea appears to be trying to find a way to reduce international criticism in a way that will not threaten the regime." He could not give numerical data on how far the executions declined, as the report was based on anecdotal evidence. (Kim Hyun, "N. Korea Responds to Intl Criticism on Human Rights," Yonhap, April 27, 2009)

4/29/09

DPRK FoMin spokesman: "The desire for denuclearization of the Korean Peninsula has gone forever with the six-way talks and the situation is inching to the brink of war by the hostile forces. The DPRK Ministry of Foreign Affairs solemnly gives the following warnings to cope with such grave situation: The UNSC should promptly make an

apology for having infringed the sovereignty of the DPRK and withdraw all its unreasonable and discriminative "resolutions" and decisions adopted against the DPRK. ... In case the UNSC does not make an immediate apology, such actions will be taken as: Firstly, the DPRK will be compelled to take additional self-defensive measures in order to defend its supreme interests. **The measures will include nuclear tests and test-firings of intercontinental ballistic missiles.** Secondly, the DPRK will **make a decision to build a light water reactor power plant and start the technological development for ensuring self-production of nuclear fuel** as its first process without delay." (KCNA, "UNSC Urged to Retract Anti-DPRK Step," April 29, 2009)

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**EO** 12958 DECL: 04/29/2019  
**TAGS** PREL, RU, UNSC, KNNP, KN  
**SUBJECT: RUSSIAN SIX PARTY NEGOTIATOR URGES PATIENCE ON NORTH KOREA**

Classified By: Political Minister Counselor Alice G. Wells for Reasons 1.4 (B) and (D)

### Summary

Russian Ambassador-at-Large for to the six-party talks, Grigoriy Logvinov, admits that Moscow has limited influence with the regime, as shown by a recent visit by its foreign minister. Key passage highlighted in yellow.

1. (C) Summary. Amidst escalating threats from Pyongyang in response to UN Security Council actions against its April 5 missile launch, Russian Ambassador-at-Large for Six-Party Talks Grigoriy Logvinov during an April 28 meeting urged the U.S. and the other Six-Party partners to remain patient. *Reporting that Foreign Minister Lavrov had a difficult trip to North Korea that did not reveal any flexibility in DPRK's position, he assessed that Pyongyang was hunkering down for a succession crisis, while seeking to use Yongbyon's disablement reversal as a bargaining chip for further concessions in the Six-Party talks. Lamenting that no one had good ideas on how to pull North Korea back from its brinkmanship, Logvinov asked for additional consultations with the U.S., particularly on the time it would take for Pyongyang to reassemble its plutonium reprocessing capabilities. In Logvinov's view, the Six-Party partners should use the intervening time to engage in quiet diplomacy to persuade North Korea to return to the negotiating table, though it is possible that we may have to wait until the succession crisis has passed before seeing a softening of North Korea's position.* End Summary.

#### A Rough Trip

2. (C) In an **April 28 meeting, Ambassador-at-Large Grigoriy Logvinov characterized Foreign Minister Lavrov's April 23-24 trip to Pyongyang as "rough."** Logvinov conveyed that **the North Korean leadership was "very angry" and told Lavrov categorically that it was resolved to restart its nuclear program, would never**

**participate in the Six-Party Talks again, and would not trust anything but nuclear deterrence as its security guarantee.** In contrast to his 2004 trip, Lavrov did not get a meeting with Kim Jong-Il. Logvinov speculated that the reason could be due to either Kim's poor health or North Korean displeasure at the GOR's support for the UNSC Presidential Statement and sanctions.

3. (C) Indicating that FM Lavrov would be sending personal letters to his Six-Party counterparts regarding his trip, **Logvinov urged the U.S. to show patience and not overreact to the latest developments. In his view, Pyongyang's hard line position was either a negotiating tactic or an indication that a power transition was near, but in any case did not represent the final word on the denuclearization issue.** Referring directly to Japan, **Logvinov warned that if countries were to press for additional UNSC action, it would only provoke the DPRK into further brinkmanship and prove counterproductive.**

Wait Out the Succession Crisis

4. (C) Elaborating on his assessment that a power transition was near, **Logvinov hypothesized that Pyongyang was being particularly intransigent because it wanted to demonstrate strength to the outside world and mask the power struggle occurring internally.** Recalling the political instability around the time of Stalin and Mao's deaths, he indicated Moscow understood the possible fallout of a North Korean succession scenario because "we have seen this before." While noting that Kim Jong-Il appeared to be functioning, if impaired, **Logvinov speculated that as long as the "Dear Leader" was technically alive, he could remain the face of a charismatic leadership. Others, whether it's his son or brother-in-law, could wield the power behind the scenes. Should Kim die, however, these people would have to emerge from the shadows and establish their own authority to rule, in which case the situation could become quite unstable.** According to Logvinov, **the GOR did not have a clear picture of the role the North Korean military would play in a succession crisis, nor did it know what importance to attach to the increased prominence of the military in the official press.** Logvinov mused that a collective leadership arrangement might be a more stable option during a North Korean succession scenario.

5. (C) In Logvinov's personal view, **nothing was likely to induce North Korea to abandon its current course and return to the negotiating table until the succession crisis passed. The only thing the Six-Party partners could do in the meantime, he stressed, was to wait out the power transition while preventing Pyongyang from further wrongdoing.** The previous goals of completing a verification protocol and finishing Phase II as soon as possible were unachievable for the time being.

Or Wait Until DPRK Restarts Yongbyon

6. (C) **Logvinov did not rule out the possibility that North Korea, in an attempt to "sell" its nuclear capabilities a third time, would seek negotiations once it reversed the disablement of the Yongbyon nuclear facilities.** The GOR hoped that **Pyongyang's stated intention to restart plutonium reprocessing was a negotiating**



**ploy, rather than a real determination to reopen its nuclear program.** In Logvinov's view, the DPRK's dire economic situation was affecting the military programs despite the disproportionate share of resources poured into them. Derisively calling the missile the North Koreans tested "a piece of junk that miraculously flew," **he wondered if Pyongyang truly had the capability to restart reprocessing plutonium given Yongbyon's dilapidated condition. Recalling the estimate by the International Atomic Energy Agency (IAEA) that it would take the North Koreans three to six months to reverse fully Yongbyon's disablement, Logvinov asked for consultations with U.S. experts on a more definitive assessment of time frame, stating that the Six-Party partners should use the intervening period to engage in quiet diplomacy to pull Pyongyang back from brinkmanship.**

7. (C) Should the North Koreans decide to seek negotiations after reversing disablement, Logvinov saw several complications ahead. First, **Pyongyang would likely demand a higher price for resuming the Six-Party Talks, which in his view could include a light water reactor and the exclusion of Japan from the talks** as punishment for Tokyo's high profile role in pressing for UNSC action. **Even the withdrawal of U.S. troops from South Korea and the dissolution of the U.S. alliances in Northeast Asia could be among the DPRK conditions.** Second, **the Six Party partners should not agree to be blackmailed that way, especially with regard to paying again for Yongbyon's disablement, and would need to secure DPRK agreement to restart from where the process had left off.** Third, **Pyongyang's disablement reversal would be a clear violation of UNSCR 1718.** Whether the Security Council should take action would be an awkward question, as doing so could provide North Korea into further belligerent action. And lastly, North Korea's blatant disregard of the principles of the Nuclear Non-Proliferation Treaty (NPT) posed challenges to efforts to strengthen the global nonproliferation regime as the international community prepared for next year's NPT review conference.

#### No One Knows What to Do

8. (C) **In Logvinov's view, none of the Six-Party partners currently had good ideas on ways forward.** He shared that during Chinese Foreign Minister Yang Jiechi's just concluded April 26-27 visit to Moscow, the Russian and Chinese sides discussed North Korea in general without putting forward specific proposals. Lavrov and Yang reaffirmed their common positions on the need for patience and restraint, and agreed that the Six-Party Talks must continue. Similarly, the MFA had prepared briefing material on North Korea for Prime Minister Putin's May 11 trip to Japan, but it too "contained nothing special." One prerequisite for jump starting the negotiations again, in Logvinov's view, was the Six-Party readiness to fulfill immediately the Phase II economic assistance obligations.

9. (C) Logvinov stressed the importance the MFA placed on consultations with the U.S. on North Korea, and in this regard expressed appreciation for Ambassador Sung Kim's phone call last week that helped him to provide FM Lavrov a fuller brief for his Pyongyang trip. While welcoming a possible visit by Special Envoy Bosworth to Moscow in the next week, he asked that the U.S. come prepared with proposals or views on the

next steps. "We shared our views in Seoul. Now we are ready to hear from our American friends," he stated, referring to the March 7 initial meeting between Ambassador Bosworth and Deputy Foreign Minister Borodavkin in South Korea. He also expressed the view that should the Six-Party partners succeed in persuading North Korea to return to the talks, the U.S. should not continue to insist on completing verification protocol as it would be untimely given the changed circumstances. BEYRLE

4/30/09

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**TAGS** PREL, ECON, EFIN, PARM, PHUM, KUNR, CH, TW, KN, KS, JA, IR, PK, AF

**SUBJECT: VICE FOREIGN MINISTER HE DISCUSSES G-20, DPRK, IRAN, AF/PAK, UNSC REFORM, TAIWAN, TIBET WITH CHARGE**

Classified By: Charge d'Affaires, a.i. Dan Piccuta. Reasons 1.4 (b) and (d). ...12. (C) VFM He reviewed several issues he hoped to discuss during his upcoming visit to Washington, including North Korea, Iran and Afghanistan/Pakistan. On North Korea, VFM He hoped to hold "informal consultations" in Washington on how generally to approach the North Koreans, not just through the Six-Party Talks. Washington and Beijing nevertheless needed to discuss how to maintain momentum in the Six-Party Talks so as to preserve our common interest in stability of the Korean Peninsula. North Korea wanted to engage directly with the United States and was therefore acting like a "spoiled child" in order to get the attention of the "adult." China therefore encouraged the United States, "after some time," to start to re-engage the DPRK. In this regard, it was good that the New York channel remained open, VFM He observed. Noting that Special Representative for North Korea Policy Stephen Bosworth would visit Beijing in May, VFM He said that, if the Six-Party Talks would be on hold for an extended period, then the Six Parties needed to find ways to continue to engage the DPRK and each other, either bilaterally or even perhaps trilaterally. The Charge noted that we should be careful not to reinforce Pyongyang's bad behavior. ...

19. (S) The Charge emphasized the importance of expediting exit procedures from China for two North Koreans who had entered the Embassy compound and asked for VFM He's assistance in doing so. VFM He said he would look into the matter.

#### U.S. JOURNALISTS DETAINED IN DPRK

20. (C) The Charge urged China to press the DPRK to release the two American journalists detained in North Korea. VFM He replied that the United States could "rest assured" that China would do so." (Guardian, US Embassy Cables: China Riterates 'Red Lines,'" November 29, 2010)

"The likelihood is high that the People's Liberation Army (of China) would be used in the vicinity of the North Korea-China border in the event of instability in North Korea," said a report published on April 30 by the Strategic Studies Institute of the U.S. Army War College. "That (China's) People's Liberation Army would develop contingency missions for North Korea makes

a lot of sense; it is there that the PLA confronted its most serious military threat (during the Korean War) after the founding of the People's Republic of China." The 400-page report titled "Beyond the Strait: PLA Missions other than Taiwan" does not represent Washington's official stance but draws attention as its foreword was written by Denis Blair, U.S. Director of National Intelligence. According to the report, Shen Dingli of the Institute for International Studies at Fudan University has told observers that policymakers in the PRC prefer a buffer in North Korea between South Korea and the U.S. forces there. Shen also said that rather than let North Korea collapse, China will provide basic subsistence. The report also quoted China's defense minister and high-ranking military officials as saying that "China will not let North Korea collapse." The report also noted that Beijing has been the donor of last resort that kept North Korea in food and fuel through famine and energy crises for decades. "In official statements, books and state-controlled media, the Chinese leadership provides support for the DPRK and takes no position advocating regime change," the report said. "Even in China's closed forums, there is almost a taboo on discussing 'regime change' in North Korea." (Kim So-hyun, "China to Intervene If N. Korea Collapses," *Korea Herald*, May 5, 2009)

Asked at a Senate Appropriations Committee hearing about nearly \$100 million budgeted for aid to North Korea, Clinton replied, "That money is in there in the event, which at this point seems implausible if not impossible, the North Koreans return to the six-party talks and begin to disable their nuclear capacity again We have absolutely no interest and no willingness on the part of this administration to give them any economic aid at all."

5/1/09

South Korea plans to take the issue of its detained worker in Gaeseong, North Korea to the United Nations to enlist international support, the Foreign Ministry said yesterday. A day after the announcement, North Korea said that it is deepening its investigation into the worker, who is employed at Hyundai Asan, the operator of major inter-Korean economic projects. The North Korean state media also quoted an unnamed official warning of "grave consequences" should Seoul continue to raise allegations of human rights violations over the detention. (Kim Ji-hyun, "Seoul to Take Kaesong Detention to U.N.," *Korea Herald*, May 1, 2009)

Acting DoS spokesman Robert Wood: "**Q:** Secretary Clinton just stated during her testimony before the Senate Appropriations Committee that she regards it as implausible, if not impossible "her words, implausible, if not impossible" that North Korea will return to the Six-Party Talks and resume the disablement of its nuclear reactor. So should we infer from that statement that the Administration, as she said, regards it as implausible, if not impossible, that the whole thrust of our efforts thus far that you've been telling us about from the podium, which was to get them to return to the Six-Party Talks, is now moot? **WOOD:** No, I think certainly the Secretary made very clear where we are and what we believe about the way North Korea has been behaving. We're concerned. It doesn't appear that they have any interest in returning to the six-party framework. But our major objective here is to achieve a denuclearization of the Korean Peninsula. And **we believe, still believe, that the six-party framework is the best vehicle for getting us to that goal. But as I've said before, we're under no illusions about how difficult this situation is. The North its behavior has been, at best, extremely erratic. We are looking to try to see if there are other countries that can use whatever influence and leverage they have over the North to bring**

**them back to the table.** But it's obviously we haven't been able to do that up until now. And I think the Secretary is expressing, you know, our concern and our, you know, about this process and about the behavior of the North. What we want to do is try to figure out how we can get them back to the table so that we can continue this process, but as I said, under no illusions about the challenge that we face in trying to do that. The North has taken steps that have basically been on the outside of what the international community wants to see. If it ever wants to have a good relationship with the international community, it needs to take those steps that the international community wants the North to take. But I share her, of course, I share her concerns, and we are skeptical about the North's intentions. **Q:** So if you regard the Six-Party Talks as the best vehicle through which to get to achieve denuclearization, and we have the Secretary of State stating openly that it is implausible, if not impossible, to get the North Koreans to use that vehicle, then what's Plan B? **WOOD:** Well, Plan B, first and foremost, we're going to continue to work this track to try to get them back. But if, you know, I don't want to speculate as to what we may do. But we have, as you know, regular routine conversations with other partners, excluding the North, within the Six-Party framework, others who have an interest, like the United States, in seeing a denuclearized Korean Peninsula. And we continue to try to see if maybe if there are better ways of achieving our overall objective. But right now, the focus has been on the Six-Party framework. But I can't tell you what the future is going to hold if the North should not come back to the table. We will, you know, use every tool in our diplomatic arsenal to try to achieve that objective. But it would be premature for me to state, you know, what a Plan B might be right now. We are focused on trying to get them back to the table. **Q:** One other way of approaching this, Robert, is to ask you if, in attempting still to get the North Koreans to return to the Six-Party Talks, you are not spending good energy after bad, because the Secretary herself has told us that such a goal is implausible, if not impossible. **WOOD:** The Secretary is expressing a very strong view within the Administration. There's no question of that, James. I'm not, you know, trying to, you know -- **Q:** What I'm saying is if you - if the Secretary regards it as implausible, if not impossible, that they're going to return to the Six-Party Talks, why are you telling us that you're still attempting to do that? **WOOD:** Well, because that is still the framework that we have right now. But the Secretary is making it very clear it doesn't seem likely that the North Koreans are willing to come to the table. But also to follow on what I said about wanting to continue to have discussions with our other partners who have an interest in the denuclearization of the peninsula, we're going to try to look for ways. I just told you that the Six-Party framework was the framework that we've been working with up until now. And this is a challenge for those of us in the international community that are trying to get the North to live up to its obligations. And what the Secretary said was very straightforward it's very implausible, it's unlikely. But right now, what we want to do is focus on how best to get to that eventual goal. And we will be having conversations with others in the international community about how best to go forward. ...**Q:** Are you continuing to show your willingness to talk and continuing to show your desire to have these Six-Party Talks as a way to maintain unity in the Six-Party Talks, so if the North Koreans don't come to the table, you have more kind of legitimacy to go to, you know, impose other measures like sanctions or things like that? **WOOD:** We have been pushing and trying to promote the Six-Party framework for one basic reason: because we believe this is the best mechanism, up until now, for getting the North to live up to its obligations in terms

of denuclearizing. And, you know, as I said, it's a challenging issue for us. If we were able to deal with it quickly, we would have. **Q:** No, but I mean, if you're saying it's implausible and impossible and kind of pretty much saying it's a lost cause, then why would you continue to say that that's what you want to do, if not to just kind of show the stark difference between yourselves and North Korea in order to impose some measures against them? **WOOD:** What I'm saying is up until now, that has been the framework that we have been in - the existing framework that the United States and others who were parties to the Six-Party framework and countries outside of that framework were pursuing. And you know, if we have to look at other options, diplomatic options, we certainly will. I'm just saying to you that what the Secretary said is very clearly what this Department believes, that there is skepticism about the North's intentions and it doesn't appear likely that the North, at least from the signs we have seen so far, is willing to return to the negotiating table. So, you know, you're asking me to predict the future. I can't do that from here at this point. I can only tell you that we continue to have conversations with our partners and allies to see if we can find the best way forward with regard to achieving that goal that I've stated, which is denuclearization of the peninsula - Korean Peninsula. **Q:** You keep on saying "up until now." Does that mean that you've - does that imply that you've made some kind of decision? **WOOD:** I'm just saying right up until now. I can't speak for tomorrow. I can't speak for the day after. I can only tell you right now what our policy has been. **Q:** And is the State Department looking at other vehicles or frameworks? **WOOD:** I've just said to you - I've just -- already addressed that issue. You know, we have discussions, routine discussions with other governments who have an interest in a denuclearization of the Korean Peninsula about the best way forward. And as I've said before, up until now, we have been working with that existing framework that we believe is viable. But I can't tell you what we're going to do in the future should the North not return to the table. I don't think I can be any clearer about that. (DoS Daily Briefing, April 30, 2009)

5/4/09

DPRK FoMin spokesman: "The UNSC pressurized by the high-handed practices of the U.S. so ambiguously interpreted the DPRK's satellite launch as just a 'launch' in the 'presidential statement' that it could not clarify what it actually criticized. The political aim sought by the U.S. through the above-said insistence is to secure a pretext for applying sanctions against the DPRK at any cost and physically suffocate its national defense industry. With nothing can the U.S. justify such illegal provocation as forcing the UNSC to table the issue of the DPRK's launch of satellite for peaceful purposes and issue a 'presidential statement' with no binding force in a bid to apply sanctions against it. **All the facts go to clearly prove that although the present U.S. administration plays tricks, talking about 'change' and 'multilateral cooperation diplomacy' it is nothing different from the preceding administration which frantically worked to stifle by force other countries which incurred its displeasure.** It is the lesson taught by the reality of the international relations today that strength alone can defend one's sovereignty. The DPRK is firmly convinced that it was entirely just when it opted for bolstering the nuclear deterrent to protect the sovereignty and the right to existence of the country and the nation." (KCNA, "DPRK Foreign Ministry Spokesman Blasts U.S. Misinterpretation of Satellite Launch As Ballistic Missile Launch," May 4, 2009)

*Rodong Sinmun* signed commentary: "Traitor Lee Myung Bak's talk about the full participation in the PSI brought to light once again his true colors as a war maniac bereft of reason as he does not rule out even a war against the DPRK, standing in confrontation with it to the last. The Lee group warmly hailed the unreasonable decision of the UN to apply "sanctions" against the DPRK and opted to play the role of a shock brigade in implementing them. This goes to prove that these traitors are no more than faithful lackeys of the imperialist aggression forces and their servants in the war of aggression against the DPRK. The Lee group is sadly mistaken if it calculates it can attack the DPRK in collusion with the imperialist aggression forces. The south Korean authorities should bear in mind they will have to pay dearly for their rash actions to do harm to the DPRK in collusion with outside forces. If the Lee group continues bedeviling the inter-Korean relations and driving the situation on the Korean Peninsula to catastrophe, trumpeting about the full participation in the PSI and "implementation of sanctions" of the UN defying the warnings of the DPRK, it will be held wholly accountable for the ensuing serious consequences." (KCNA, "Lee Myung-bak Group's Misbehavior Blasted," May 4, 2009)

A South Korean Navy destroyer chased Somali pirates from a North Korean cargo ship off the African coast in the country's first such operation abroad, military officers in Seoul said on Monday. The South Korean destroyer has been escorting cargo vessels since April off piracy-prone Somalia on a key shipping route for South Korean container vessels and oil tankers. The suspected pirates came as close as 3 kms (1.8 miles) to the North Korean vessel at the time a navy helicopter arrived at the scene, an official with the Joint Chief of Staff's office said by telephone. "Three kilometers is pretty close when you're talking about the ocean," he said. South Korean Navy sharpshooters were on board the helicopter flying from the destroyer after it picked up distress signals from the North's vessel and made maneuvers to chase off the pirates, another officer said. The officers did not elaborate on the nature of the North's cargo or where the vessel was headed. A transcript of the radio communication showed the destroyer aided the North's vessel by providing coordinates for its passage out of the area after the pirates had fled, and offered to escort it to safety. "This is the Republic of Korea Navy. We will be securing safety for your vessel," a South Korean sailor said. A North Korean crew member responded: "Thank you. We request that you continue to watch over us." (Jack Kim, "South Korea Navy Chases Pirate from North Ship," Reuters, May 4, 2009)

UN Secretary General Ban Ki-moon, speaking yesterday at the start of the third and final session of the two-week preparatory session for next year's Nuclear Non-Proliferation Treaty Review Conference, urged the North to return to the table and discuss its nuclear program. "Despite the current serious challenges, I continue to believe that the six-party process is the best mechanism to achieve the verifiable denuclearization of the Korean Peninsula in a peaceful manner," Ban said. "I therefore urge [North Korea] to return to these talks so that everybody can resolve their respective concerns through dialogue and cooperation, based on the relevant Security Council resolutions as well as multilateral and bilateral agreements." (Yoo Jee-ho, "UN Asks North to Come back to the Table," *JoongAng Ilbo*, May 6, 2009)

5/6/09

South Korean officials have continuously detected "brisk" activities of personnel and vehicle movements at the North Korean nuclear test site in the northeastern county of Kilju, *Chosun Ilbo* reported, days after the communist country threatened to conduct nuclear and missile tests. The paper quoted an unnamed South Korean government source as saying that the North is believed to be preparing to conduct a nuclear test soon. The paper didn't say how South Korea obtained the intelligence. South Korea's Defense Ministry, Foreign Ministry and the National Intelligence Service said they cannot confirm the report. (Hyung-jin Kim, "Report: Brisk Activity at N. Korean Nuclear Test Site," Associated Press, May 7, 2009) North Korea has been speeding up construction of a new long-range missile test site in Tongchangri, North Pyongan province. And vehicles and personnel are busily moving around in Kilju, North Hamgyong province, where the North conducted an underground nuclear test in 2006, showing signs of preparations for another. "The North has recently been speeding up construction at the test site in Tongchangri by deploying more equipment and personnel," a South Korean government official said. "We expected the North would complete construction sometime late this year, but it now seems that it could be completed several months earlier." Construction of the test site began eight years ago and was 80 percent complete last September. South Korean military authorities believe the North could accelerate completion of the test site and test-launch a long-range ballistic missile from there. North Korea on April 29 threatened to conduct a second nuclear test and test an intercontinental ballistic missile, unless the UN Security Council lifts sanctions against it and "apologizes." The test site in Tongchangri is believed to be capable of launching both ICBMs and satellite rockets, and is much larger and has more up-to-date facilities than the current similar test site in Musudanri, North Hamgyong Province. (*Chosun Ilbo*, "Activity at N. Korea Test Site Intensifies," May 7, 2009)

South Korea has raised the prospect of bilateral talks between North Korea and the US or China over Pyongyang's nuclear arms program, suggesting they could help revive stalled international negotiations. Wi Sung-lac, South Korea's chief nuclear negotiator, said in an interview with the *Financial Times* that a bilateral meeting could be "useful as long as it serves as a conduit for a return to six-party talks." In the past, Washington, Seoul and Beijing had all used bilateral negotiations with North Korea to good effect, Wi said. "I would say the prospect for the resumption of six-party talks is pretty bad, but I would not say that this course is dead." Dennis Wilder, a senior Asia adviser to George W. Bush, the former US president, said South Korea appeared to be responding to the increased tension with the North. "The South Koreans are increasingly nervous about the North's isolation because there are other steps that [Pyongyang] can begin to take here, [including] border provocations, provocations at sea and obviously more nuclear testing." (Christian Oliver and David Pilling, "Seoul Eyes Bilateral Route to Pyongyang," *Financial Times*, May 7, 2009, p. 4)

North Korea has written to South Korea urging a second meeting at the Kaesong Industrial Complex. The North Korean body that manages the complex on Monday sent a three-page document about the second meeting that warns if the South does not respond promptly, "it will only complicate the problem," a South Korean government official said. In the first meeting held on April 21, North Korea asked for a salary raise for North Korean staff at the complex and higher land rental, and asked the South to

schedule the next meeting. "We are not yet at the stage to finalize the agenda and date for the second meeting and notify the North," a Unification Ministry official said. "But we are negotiating." (*Chosun Ilbo*, "N. Korea Wants Answer to Demands Soon," May 7, 2009)

5/?/09

Pyongyang sent Chang Sung Taek, a National Defense Commission member and Kim Jong Il's younger brother-in-law, to China in early May to explain that North Korea had nominated Kim's third son, Jong Un, as his successor, according to North Korean sources. After the test, Chang visited China again in late May. Only Wang Jiarui, director of the International Department of the CPC Central Committee, met Chang. Wang conveyed China's three requests to North Korea. According to diplomatic sources in Beijing, China suspended its dispatches of high-ranking government officials and delegations to North Korea. Beijing also sent home some of the North Korean researchers and staff members at Chinese companies and universities. China underscored its disapproval of North Korea's nuclear test in the *Huanqiu Shibao* (Global Times), a newspaper affiliated with the People's Daily, the organ of the CPC Central Committee. One headline in the newspaper read, "Don't play with fire anymore." A North Korean source in Beijing said, "We had never seen such a strong reaction from China." (Minemura Kenji, "N. Korea Squirms after China Raps Test," *Asahi Shimbun*, February 24, 2010)

5/6/09

President Barack Obama spoke by phone today with his Chinese counterpart Hu Jintao and shared his concerns over security issues, including North Korea's nuclear program and deteriorating conditions in Pakistan, the White House said. "President Obama described to President Hu his concerns over recent actions by North Korea and threats to Pakistan by militant extremists and terrorists," the White House said in a read-out of the call. The phone call is the first publicized direct contact between the leaders of the world's largest economy and the world's most populous nation since the pair met in London on April 1 at an economic summit, and the first since a renewed flare-up in China-U.S. naval tensions. The White House said the leaders 'discussed regional security issues,' but it did not specify whether Obama and Hu discussed the May 2 encounter in waters off the Chinese mainland between Chinese fishing boat and a US Navy observation vessel - the latest in a series of high-seas standoffs this year which have put the two militaries on edge. (AFP, "Obama and Hu Discuss North Korea, Pakistan," May 7, 2009)

5/7/09

US Special Representative on North Korea Stephen Bosworth and Ambassador Sung Kim begin a swing through Asia in Beijing. Bosworth tells reporters on arrival, "As I think everyone is aware, we're here on the first stop of our series of visits to our partners in the six-party process. I had very good meetings this afternoon with Foreign Minister Yang and Vice Foreign Minister Wu. We had extensive discussion of where we are and talked about the way forward. The United States reiterates its desire to **engage both multilaterally and bilaterally** with North Korea, and we believe very strongly that the solution to the tensions and problems of the area now lies in dialogue and negotiation. So thank you all very much, we're going on tomorrow to Seoul and then to Tokyo." (Nelson Report, May 7, 2009) When Bosworth visited in the first half of May, the Japanese and South Korean governments made it very clear to him that Washington



should not ruin the framework of the six-party talks. (*Yomiuri Shimbun*, "North Korea's Nuclear Threat: Form of Talks with DPRK Unclear," May 28, 2009)

5/8/09

Stephen Bosworth said after meeting officials in Seoul that the United States was leaving the door open for dialogue, despite the fact that Pyongyang said it was useless to talk to the Obama administration because its "hostile policy" left it no choice but to bolster its nuclear deterrent. "If the North Koreans decide to carry out a second nuclear test, we will deal with the consequences of that. And there will be consequences," Bosworth told reporters after meeting South Korea's foreign minister. "But we can't control at this stage what North Korea does." North Korea, angered by Washington's push to punish it at the United Nations for a launching a long-range rocket, unleashed its harshest criticism of U.S. President Barack Obama's government, saying it is trying to topple Pyongyang's leaders. "The study of the policy pursued by the Obama administration for the past 100 days since its emergence made it clear that the U.S. hostile policy toward the DPRK remains unchanged," KCNA quoted an unnamed Foreign Ministry spokesman as saying. "There is nothing to be gained by sitting down together with a party that continues to view us with hostility." He added: "The DPRK will bolster its nuclear deterrent as it has already clarified." (Jack Kim, "U.S. Warns of Consequences for North Korea Nuclear Test," Reuters, May 8, 2009)

DPRK FoMin spokesman: "The study of the policy pursued by the Obama administration for the past 100 days since its emergence made it clear that the U.S. hostile policy toward the DPRK remains unchanged. It is the essence of the U.S. persistent hostile policy toward the DPRK to eliminate the ideology and bring down the system, both chosen by its people. The present U.S. president called for 'proper punishment,' describing the DPRK's launch of satellite for peaceful purposes as 'a challenge' and 'provocation' while the secretary of State is repeating such malignant vituperation let loose by the preceding government as slandering the system in the DPRK as a 'tyrannical' and 'rogue regime' and the like. The attitude of the present U.S. administration is not confined to those outbursts. No sooner had the Obama administration emerged than busied itself staging the largest-ever Key Resolve and Foal Eagle joint military exercises in and around south Korea in March, seriously threatening the security of the DPRK. The U.S. referred the issue of the DPRK's launch of satellite for peaceful purposes to the UNSC and thus made it apply sanctions against it in a bid to physically stifle its national defense industry. Nothing would be expected from the U.S. which remains unchanged in its hostility toward its dialogue partner. The measures taken by the DPRK recently to bolster its national defense capability are aimed not to draw attention of someone and have dialogue with it but to defend the security of the country and the sovereignty of the nation. The DPRK will bolster its nuclear deterrent as it has already clarified." (KCNA, "Spokesman for DPRK Foreign Ministry Blasts U.S. Invariable Hostile Policy towards It," May 8, 2009)

President Obama and his predecessor George W. Bush already have at least this much in common: North Korea's suspicious and reclusive leaders don't like them. "The U.S. is a rogue and gangster of the world community," said a commentary in the state-controlled newspaper, *Minju Joeson*. "Though the present U.S. administration put up the signboard of 'change' and 'multilateral cooperation diplomacy,' it is, in essence,

pursuing a unilateral policy little different from that of the Bush administration." While Obama criticized the North's missile launch as a "provocation," his administration has sought to keep the door open for negotiations. The State Department's envoy to North Korea, Stephen W. Bosworth, who is traveling this week in East Asia, emphasized an eagerness to talk. Arriving in Seoul for meetings Friday, he declined to respond to the North's recent criticism of the United States. "I am not going to react to every statement coming out of North Korea," he said. "I am here to have talks with the South Korean government." (Blaine Harden, "N. Korea Denounces Obama," *Washington Post*, May 9, 2009)

North Korea said that there is no chance of any serious dialogue between the two Koreas because of what it claimed was an anti-North Korea campaign by Seoul's Lee Myung-bak administration. "There simply is no need to even consider holding talks between the North and the South while the Lee Myung-bak group is publicly trying to smear the name of our republic and bluntly denying the republic," a spokesman for the Committee for the Peaceful Reunification of the Fatherland said in a statement carried by KCNA. An official at Seoul's Unification Ministry said the statement will not affect the upcoming talks between the divided Koreas. "I believe the Kaesong meeting will be dealt with separately from other inter-Korean talks mentioned in the statement because the meeting comes at the North's own proposal," the official said. (Yonhap, "N. Korea Says There Will Be No Talks with S. Korean Government," May 9, 2009)

Victor Cha: "One of the U.S. president's most important responsibilities is to protect his country's citizens. Yet it appears that the Obama administration has done little to save these women. To be fair, the United States has no diplomatic offices in North Korea to work on the issue. But there are other, if imperfect, channels, such as working through the Swedes or the Chinese. ...The United States needs to send a high-level envoy to North Korea to bring these women home. The obvious candidate would be Gore. The North Koreans would respect someone of his stature, and his stake in the issue would make his mission eminently credible. Without fear of setting or breaking diplomatic precedent, he could issue whatever "apologies" were necessary to secure the two women's release; similar token apologies have been issued in the past. ...Having participated in a mission to bring home the remains of American servicemen killed in the Korean War, I know that such humanitarian efforts afford opportunities to move the larger diplomatic situation forward. Some say that Obama's last message to North Korea was lost in the noise of Pyongyang's missile test and the punitive response of the United Nations. Now that there is a momentary lull in the noise, Gore could reiterate the president's message of peace and convey the administration's willingness to engage, thereby averting further nuclear brinkmanship by Pyongyang. Some will argue that we should not respond to North Korean extortion tactics. In principle, we should not. But the administration cannot stand by and watch these innocent women be thrown into the living hell of North Korean labor camps. Securing their safe passage home is the most important thing. And gaining a glimpse into the emerging leadership in North Korea would be useful." (Victor Cha, "Al Gore's N. Korea Mission?" *Washington Post*, May 9, 2009)

5/10/09

The Obama administration does not intend to send a high-level envoy to North Korea or take any other steps to revive the six-way talks on the communist nation's nuclear program, a senior South Korean government official said. The U.S. believes that it has done enough to convey its willingness to engage in both bilateral and multilateral talks with the defiant North and that it is time for Pyongyang to give an answer, according to the official. "There can be progress in dialogue only when a partner responds (to proposals for talks) and shows interest," the official said in a background briefing for reporters on the results of consultations with Stephen Bosworth, Obama's special envoy on North Korea. Bosworth arrived in Seoul on May 7 for a series of meetings with top South Korean officials, including Foreign Minister Yu Myung-hwan, Unification Minister Hyun In-taek and top nuclear negotiator Wi Sung-lac. As North Korea is aware of Washington's willingness for dialogue, the official added, it would be "rational" to take a wait and see approach. "If North Korea is interested in dialogue, it will respond," he said. Bosworth, on a tour of Northeast Asia to discuss ways to resume the denuclearization process, openly acknowledged that Washington is willing to talk with Pyongyang. State Department spokesman Robert Wood also said in a press briefing on Friday that the United States "is prepared to deal with North Korea bilaterally in a way that reinforces the multilateral process." The U.S. has also delivered its intention for talks with North Korea on several occasions through its diplomatic mission at the United Nations, known as the "New York" channel. But the North remains unresponsive. The official said Bosworth and South Korean officials reviewed the current situation but did not discuss any new specific initiative to persuade the North to return to the bargaining table. (Lee Chi-dong, "U.S. to Wait for N.K. Response to Overtures: Seoul Official," Yonhap, May 10, 2009)

North Korea has carried out a reshuffle of government organizations, shifting the jurisdiction over its overseas espionage and cash cow operations from the Workers' Party to the military, sources said today. The North has separated its two major spying and cash-generating overseas trade units -- Room 35 and Operation Unit -- from the Workers' Party and transferred them to the People's Armed Forces, the sources said on condition of anonymity. The Operation Unit is known to train and send agents to South Korea, the United States and Japan, but its recent operations are believed to have shifted toward trades of arms, drugs and fake bills. "North Korea's Operation Unit handles a large amount of cash through illegal activities such as counterfeiting currency, manufacturing drugs and exporting arms," a source said. "With the Operation Unit now under its wing, the North Korean military will have a major source of independent financing." (Yonhap, "N. Korea Puts Spy Agencies under Military Control in Major Shakeup," May 10, 2009)

Russian PM Vladimir Putin, in an interview with the Nikkei business daily, Kyodo news agency and public broadcaster NHK before a visit to Tokyo, called for calm over North Korea in an interview published on Sunday and warned of the danger of an arms race developing in Asia after Pyongyang launched a long-range rocket. "It would be absolutely wrong if we increased the emotional temperature around what is happening today and used this to destabilize the region or to start some sort of arms race. I think this would be a big mistake," Putin said, according to a transcript of the interview supplied by the Russian government. "We need to take account of the positive things, of

what has been achieved as part of the negotiating process in the six-party format," he said in the interview. "Everyone needs to return to them [six-country talks] without emotion and without anything else that could hinder the resumption of the process," said Putin, who rarely comments on North Korea. (Reuters, "Russia's Putin Warns against Arms Race over N. Korea," May 10, 2009)

5/11/09

Ozawa Ichiro announced he would resign as DPJ president. Yamaguchi Jiro, professor of political science at Hokkaido University and an Ozawa supporter, suggested that tolerance for his leadership within the party had evaporated after DPJ Diet members campaigned in the constituencies during the "Golden Week" holidays, "I suppose ... that all the candidates felt this strong headwind and this caused deep dissatisfaction." The leading candidate to succeed Ozawa is thought to be Okada Katsuya, a DPJ vice president. (Mure Dickie, "Japanese Opposition Leader Resigns," *Financial Times*, March 12, 2009, p. 4)

5/12/09

Bosworth: "We had very productive meetings in all three capitals. Ambassador Sung Kim is going on to Moscow today and he will, I'm sure, have productive meetings there. I think everyone is feeling relatively relaxed about where we are at this point in the process. There is not a sense of crisis. We acted together in a strong fashion in the United Nations with the Security Council Resolution, and now I think we are going to proceed with patience and perseverance. We are committed to dialogue, and we are obviously interested in returning to the negotiating table as soon as we can, but this is not a decision that depends on us. It also depends on the DPRK. So we've, I think, managed to confirm that we have a common view and a common sense of the road forward. **Q:** Have you mentioned any chance of the U.S. having direct dialogue with North Korea? **B:** Well, I think that it is clearly understood that the possibility of direct dialogue between the U.S. and the DPRK is very much with us. That of course would be done within the framework of the Six-Party process where there has been direct contact frequently by various members of the group with North Korea. **Q:** Do you have any idea about when to go to North Korea for dialogue? **B:** No, that of course does not depend entirely on us. **But this is something we will be considering over the next few weeks.** I think I will go back to Washington now. We will have consultations there on an interagency basis and then probably continue to be in touch by telephone and other means of communication with our partners out here in Asia. **Q:** Ambassador, how can you be relaxed when North Korea is threatening another nuclear test? Is it because you don't want to get them angry, or -- **B:** Well, you know, I very much hope that North Korea does not do another test. I think it would be a step in the wrong direction. But, in the end, that is the decision that only North Korea is going to be able to make, or will make. All I can do is stress that among the five, there is a common determination to stand together and to continue to emphasize that we believe that dialogue and negotiation is the only proper way to resolve the issues that exist. I might also add that here in my conversations in Tokyo, we did, of course, discuss again the issue of the Japanese abductees. And I reiterated as we have in the past our strong support for Japan in its efforts to resolve this problem." (DoS, Ambassador Stephen Bosworth, "Remarks to Media Prior to Departure from Japan," Tokyo, May 12, 2009)

Okada Katsuya, DPJ secy-gen, told the Diet that "a norm not allowing at least first use, or making it illegal to use nuclear weapons against countries not possessing weapons, should be established. Japan should be at the forefront of this effort as a leader." (House of Representatives Budget Committee, May 12, 2009, quoted in Takubo Masa, "The Role of Nuclear Weapons: Japan, the U.S. and 'Sole Purpose,'" *Arms Control Today*, November 2009, p.18)

Hecker: "I previously estimated that North Korea had produced between 40 and 50 kilograms of separated plutonium by the time it began to disable its nuclear facilities as part of the Six-Party Talks. North Korea declared that it had separated and weaponized only 26 kilograms. [FN: There is significant confusion over the North Korean plutonium declaration. North Korean officials told me in February 2008 that they declared 30 kilograms of plutonium to American officials in November 2007. It was subsequently reported that 26 kilograms had been 'weaponized.' Pyongyang apparently claimed that only 2 kilograms were used for its 2006 nuclear test and 2 kilograms were held up in the reprocessing plant. The roughly 38 kilograms subsequently reported is believed to include the 8 kilograms in the current batch of 8,000 spent fuel rods.] Assuming that 6 kilograms of plutonium would be needed for each nuclear weapon, North Korea has sufficient material for at most eight nuclear weapons and perhaps as few as four. ...Prior to its April rocket launch, North Korea had discharged approximately 6,100 of the 8,000 fuel rods from its 5-megawatt reactor to the cooling pool, but disablement slowed to a crawl of 15 fuel rods/week, dragging out the projected completion of fuel unloading well into 2011. ...The current load of spent fuel was in the reactor for two years before the reactor was shut down in July 2007. These 8,000 spent fuel rods could contain as much as 12 kilograms of plutonium. The North Korean declaration indicated that the total was less than 8 kilograms, which is reasonable because the reactor operated intermittently with significant power fluctuations. North Korea will be able to unload the approximately 1,900 fuel rods that remain in the reactor in less than one month. If it began its reprocessing campaign on April 24 as reported, Yongbyon scientists could reprocess the entire load of 8,000 fuel rods in less than six months. North Korean officials had previously told me that during their 2003 reprocessing campaign they reprocessed the entire load of spent fuel in less than four months. Once these fuel rods were reprocessed, the facility would stand idle until the next load of spent reactor fuel is ready for reprocessing, at least three years from now. North Korea may choose to continue to run the reprocessing facility in the interim to process and dispose of the high-level radioactive waste generated by previous reprocessing campaigns. The reprocessing facility is in reasonable shape and likely can be kept operational for many years to come. Once the remaining fuel rods are discharged from the reactor, several steps would need to be completed before the reactor could operate again. The secondary steam line that was severed as part of the disablement process can easily be repaired. However, since North Korea destroyed the reactor's cooling tower last year, it would have to rebuild it unless it was prepared to construct an alternative cooling system or be willing to settle for very low reactor power levels (and low plutonium production rates). Although North Korean specialists told me in 2008 that rebuilding the tower may take one year, it could conceivably be accomplished in six months or so, as it requires only basic construction materials. More importantly, for the North Koreans to restart the reactor they would need fresh fuel. The reactor's control-rod drive

mechanisms were left in place during disablement because the reactor was not yet fully discharged, so restarting the reactor is primarily a matter of having a full reactor core of fresh fuel to load. North Korea has approximately 2,000 clad fuel rods in storage and ready to load. (These fuel rods were fabricated prior to 1994 for the 5-megawatt-electric reactor.) It also has 12,000 bare fuel rods (without the magnesium alloy cladding), also fabricated prior to 1994, but for the 50-megawatt-electric reactor. These rods appeared to be in good shape when I saw them in storage at the fuel fabrication facility in 2008. This stockpile of fresh fuel was subject to disablement under the Six-Party agreement, with the possibility that they could be removed from North Korea, but Pyongyang never allowed that activity to begin. The fuel rods prepared for the larger reactor appear to have the same diameter as the rods for the 5-megawatt-electric reactor rods but are 10 percent longer. They may require some machining to make the diameter and length fit, but it also may be possible to simply stack nine of these in the reactor core assembly instead of the customary ten. Regardless, the bare fuel rods must first be clad with a magnesium alloy. This will require restarting the magnesium metal production, fabrication, and machining lines. These activities and the assembly of the clad fuel rods could have started as early as this month, and they take about six months to complete, similar to the time required to rebuild the cooling tower. To make completely new fuel rods for subsequent reactor loads will most likely require North Korea to bring the entire fuel fabrication facility back into operation. This will be difficult, because the facility was substantially disabled, and some of the facilities had decayed seriously during the 1994-2002 freeze. The front end of fuel fabrication (from uranium ore concentrate to uranium oxide) operated from early 2003 until it was shut down in July 2007. However, the building containing the hydrofluorination equipment, necessary to convert uranium oxide to uranium tetrafluoride (the step necessary before conversion to metal), was abandoned because of excessive corrosion and equipment collapse. Between 2003 and July 2007, Yongbyon specialists constructed a rather primitive hydrofluorination facility with limited capacity in an adjacent building based on a dry, instead of wet, process. This facility was tested, but it was not fully operational before the July 2007 agreement shut down the Yongbyon facilities once again. We cannot rule out that North Korea has operated undeclared uranium facilities, most likely outside of Yongbyon. The alleged export of nuclear technologies, possibly including uranium, to Libya and Syria point to the potential existence of such facilities. Taking all of these factors into account, the best North Korea could do is to separate approximately 8 kilograms of bomb-grade plutonium by October 2009 and produce at most another 6 kilograms of plutonium per year for the next two to four years with its existing stocks of fresh fuel. This fuel would have to be reprocessed to be turned into bomb fuel. In the mean time, it could refurbish the fuel fabrication facility completely and continue this cycle for many years to come. North Korea has the material and manpower to do so. The only way North Korea could increase this rate of plutonium production is to build bigger gas-graphite reactors. In their April 14 statement announcing the resumption of nuclear operations, Pyongyang stated that it will consider building a light-water reactor on its own; it did not threaten to resume construction on its bigger gas-graphite plutonium production reactors, a process that would take 5 years or more because North Korea has limited industrial capacity. North Korea is not limited by its facilities to weaponize separated plutonium. These are most likely outside of Yongbyon, but their precise location is unknown because they have not been declared, nor have they been

part of the disablement process. To make better bombs, particularly to miniaturize them and have confidence to mount them on missiles, North Korea would have to conduct one or more nuclear tests. Although it must have been tempted to conduct a second test after the limited success in October 2006, North Korea has been constrained by its meager plutonium inventory and by the threat of international sanctions. If it had another 8 kilograms available, it could decide to conduct another test. The addition of one more bomb to Pyongyang's small arsenal would not represent a greatly enhanced threat, yet a more sophisticated arsenal would. Little is known about the North Korean uranium enrichment program. Suspicions about the program have intensified since U.S. analysts found traces of highly enriched uranium on two separate sets of items provided by the North Koreans in late 2007 and in 2008. My judgment remains that it is highly likely that North Korea has a uranium enrichment research effort but not at an industrial scale. The curious announcement that Pyongyang could pursue building a light water reactor on its own may allow it to reveal its uranium enrichment program now that it has the cover of doing so for civilian purposes. North Korea doesn't likely have the materials or technology for such a program, however, making an alliance with Iran an ever-increasing possibility." Siegfried S. Hecker, "The Risks of North Korea's Nuclear Restart," *Bulletin of the Atomic Scientists*, May 13, 2009)

5/13/09

South and North Korea have made no breakthrough yet in negotiations over setting up talks on their joint venture, amid continued refusal by Pyongyang to include the detention of a South Korean worker in discussions, officials said. The deadlock over the agenda may dash Seoul's hopes of holding the talks this week, the Unification Ministry officials said. "The two sides have different opinions and are not moving forward to reach agreement," one of the officials well-informed of the negotiations said. (Yonhap, "Koreas Differ on Agenda for Government-Level Talks," May 13, 2009)

Toloraya: "In Pyongyang in late April 2009 this author got the impression - through both official and unofficial contacts - that DPRK decision-makers were in their hearts quite satisfied with the controversy about their country in the wake of the April 'satellite launch.' North Korea had as a result once again become the focus of world politics. They seemed to have grown tired of the multilateral diplomatic process and frustrated with its "uselessness", feeling that such a process would hardly help them attain their final goal, regime survival. They said repeatedly that Pyongyang had come to the conclusion that only WMD deterrent could guarantee their safety. ...The usefulness of the Six Party Talks seems to North Koreans to have been exhausted. Further down the road they would have to discuss - and probably be pressed for concessions on something really tangible, such as their reprocessed fissile materials and actual nuclear weapons. That, most likely, formed no part of their calculations, at least at the early stage of searching for a strategic compromise with the West. Understandably, North Koreans became frustrated as their tangible gains from the multiparty process were marginal. They did not come much closer to getting substantial security guarantees, and even the largely symbolic (and easily reversible) 'delisting' of the DPRK as a terrorist state caused much controversy in the US and elsewhere, and led to demands for new concessions from it in return. **North Koreans saw that as a breach of trust. Modest economic assistance was indeed promised when the accord was sealed, but only Russia carried out its obligations (200 thousand tons of heavy oil), while other countries either totally**

**abstained (Japan) or dragged their feet.** The DPRK felt that its concessions were not fully recognized and valued. "Hawks" in Pyongyang might also have suspected that concessions were perceived in the West as a sign of weakness and testimony to their pressing need to normalize relations. No one was impressed, at least to the extent that North Koreans had probably expected, with the actual opening of its nuclear program and even the disabling of some objects, though such things were unimaginable just a few years ago. North Korea had gone much further than in Clinton's time, but received much less in return. It had gained neither promises of normalization nor even any glimpse of the hoped for light water reactors (LWRs), though these had been part of the 1994 deal. Small wonder that the voices in Pyongyang saying that engagement policies were ineffective became louder. The crucial factor probably was the reported illness of Kim Jong Il, which came as a shock to the elite. Without Kim Jong Il's guidance, they were too scared to continue the elaborate "chess game" with the West. "Opening" seemed to present a real and immediate danger. To increase the vigilance and boost the flagging spirits of the population an external enemy was needed. So the country followed the familiar pattern of closing up and tightening the screws as demanded by the military and ideologues. At the same time, from a pragmatic point of view world attention - and the attention of the new US administration above all - was easily attracted by raising tensions, which also served to raise the stakes for a future diplomatic contest. **This strategy probably took shape in late 2008, after the initial shock brought about by Kim Jong Il's health problem wore off. The malevolent speculations in the West and South Korea about Kim Jong Il's possible demise and the DPRK collapse that might follow really irritated the North Korean leadership.** Emotions are not unimportant in politics. **Seeing the degree of personal animosity of so much of the outside world, North Korea's leaders felt morally right to resist compromise or concession.** They concluded that only sheer force, not mere words, could assure their survival. **The early signs included very harsh statements and rhetoric on the part of North Korea's Foreign Ministry and its military spokespersons.** Relations with South Korea were almost totally suspended. The criticism of Lee Myung Bak reached unprecedented heights. However the world did not take that seriously, seemingly following instead a path of "benign neglect". Perhaps that was unsurprising given the Obama administration's preoccupation with financial crisis, Iraq, Afghanistan and other pressing problems. North Korea was obviously not a priority and Pyongyang could not realistically expect any major concessions allowing them to display the vitality of "Songun" (military first) policies or to bring closer their goal of becoming a 'strong and prosperous nation by 2012.' The missile launch, widely publicized for nearly two months, became a perfect opportunity. **North Koreans may have taken secret satisfaction from the fact that Western governments (especially Japan's) swallowed the bait and gave the missile launch much more attention and publicity than it deserved.** Dozens of missiles and rockets are launched regularly round the globe and only Japanese paranoia about this being an 'enemy' rocket helped the impoverished country's once-a-decade launch of an outdated missile become the focus of global concern. Iran's successful satellite launch in February, despite its potentially much graver consequences, went almost unnoticed. North Korea got the attention it longed for and the pretext it needed to 'tighten the screws,' while also demonstrating that it did not actually need allies. It does not hide its displeasure at Chinese and Russian 'betrayal' by their support for the UN Security Council president's



statement. Following the launch, Pyongyang can leave out of its decision-making process not only Japan and South Korea, but all the other parties. The US will sooner or later have to resume bilateral dialogue with Pyongyang. Otherwise new provocations would follow. What next? It looks as though the international community will have to wait until earnest dialogue between the US and the DPRK starts. Pyongyang has resorted to criticism of the Obama administration, probably in order to 'tame' the relative novices in Washington and to raise the stakes for future concessions. Procrastination also helps North Korea raise the stakes (reprocessing fuel rods, conducting a nuclear test or missile test, or possibly by border clashes with South Korea). Much as all others dislike it, the status of North Korea as a nuclear power has become reality and that reality has to be taken into account for possible arrangements with international non-proliferation regimes in expectation of a Korean peninsula denuclearization which should still be left on the agenda. It may sound somewhat cynical, but the US administration now has a unique chance to work out a totally new approach to Korean problem. **First, a paradigm of US-DPRK coexistence has to be worked out based on the assumption that the Pyongyang regime is here to stay and should be recognized. A tacit understanding on the future of the DPRK and an easing of pressure on the country should be effected.** (Paradoxically, such easing of tensions could open the way to peaceful evolution of the regime, first by economic marketization and later by a resulting softening of the regime). This new approach should be seriously presented to North Korea by a communication at the highest level, without the demand for immediate "tit for tat". Only after doing that could new arrangements for security on the Korean peninsula be discussed, with demilitarization and denuclearization remaining a vital but distant goal. Although the role of the US is central to bringing about change, that of other players is also important. China and Russia would support such an approach with little reservation and they will help promote dialogue since normalization in Korea corresponds with their strategic goals both in the region and in their relations vis-à-vis the United States. Japan has to change its unconstructive approach and at least take a wait-and-see attitude, without attempting to disrupt the dialogue or to promote its own egoistic interests. South Korea could play a vital role by supporting US efforts, rather than pushing its own agenda without concern for wider goals, and it should refrain from hostile actions against the DPRK whatever irritations it might face. The multilateral coordination mechanism (even without North Korean participation, as 5+1) should be kept intact, and Pyongyang should not be allowed to play on the contradictions between its partners in the talks. In the end the deal on the newly established "rules of the game" should get the approval and guarantees of implementation from all the players. A high-level political declaration and a set of bilateral legally binding treaties between each of the participants could be the form of a final basic arrangement launching new security architecture in Northeast Asia. This might not seem an opportune time to think about such things, but North Koreans need to grasp the strategic concept of their partners and to see clearly where the road could take them." (Georgy Toloraya, Director of Korean Research Programs at the Institute of Economics at the Russian Academy of Science, "The New Korean Cold War and the Possibility of Thaw" NAPSnet, May 14, 2009)

5/14/09

**Q:** "Secretary Clinton, just a quick one on North Korea. North Korea today said that it plans to try the two American journalists who have been held since March on June 4<sup>th</sup>."

Any comment on that? And Ambassador Bosworth, before leaving Tokyo, said to the press that he thought everybody, meaning the other five, was quite relaxed or fairly relaxed with where the process is right now. I was a little surprised by that statement. It was almost as if you aren't looking to find ways to entice the North Koreans back to the table. **CLINTON:** With respect to North Korea, actually, the trial date being set we view as a welcome timeframe. We believe that the charges are baseless and should not have been brought and that these two young women should be released immediately. **But the fact that they are now going to have some process we believe is a signal that there can be, and I hope will be, a resolution as soon as possible.** I met with Ambassador Bosworth upon his return from the region. I think what he was conveying is the consensus among the five parties - Russia, China, Japan, South Korea and ourselves - that North Korea knows what we expect of them. There was a process that they agreed to with obligations they were committed to fulfilling. We intend to continue with the Six-Party process. We are all in agreement on that. And I think that, in and of itself, is quite an accomplishment because, obviously, each of these countries has a different experience and perspective of North Korea. But we are united in our belief that we have to be patient. We have to be very clear as to what our expectations regarding North Korea are. And we intend to have an open door for a return to the Six-Party Talks. And China, which is the chair, has made it clear as well to the North Koreans that they wish to see this begin again. So we are - the ball is in the North Korean court. And we are not concerned about chasing after North Korea, about offering concessions to North Korea. They know what their obligations are. They know what the process is. And we are all urging that they return and begin once again to act with us to move the agenda forward." (DoS, Secretary of State Clinton, Remarks with Malaysian Foreign Minister Y.B. Datuk Anifah bin Haji Aman after Their Meeting, May 14, 2009)

Georgy Toloraya: "In Pyongyang in late April 2009 this author got the impression - through both official and unofficial contacts - that DPRK decision-makers were in their hearts quite satisfied with the controversy about their country in the wake of the April 'satellite launch.' North Korea had as a result once again become the focus of world politics. They seemed to have grown tired of the multilateral diplomatic process and frustrated with its "uselessness", feeling that such a process would hardly help them attain their final goal, regime survival. They said repeatedly that Pyongyang had come to the conclusion that only WMD deterrent could guarantee their safety. No harsh words were spared for South Korean 'traitors' and the fact that Seoul is just 50 km from the DMZ was stressed to underline the advantageous position the North enjoys in military terms. ... The current situation in and around Korea is reminiscent of the early 1990s, when the peninsula was on the brink of military conflict. At that time the cause was the international community's pressure on Pyongyang to contain its attempts to acquire nuclear weapons. This time the tension is more the result of intentional actions taken by North Korea in accordance with its own strategic rationale. ... Just two years ago the improvement in the Korean situation seemed, if not irreversible, at least long-term. The progress of the Six Party Talks and deepening North-South cooperation were grounds for guarded optimism. ... The deterioration started with the advent of a conservative government in Seoul. Many experts, including myself, underestimated the degree of animosity and distrust the Grand National Party (Hannaradang)'s 'old guard' would provoke in Pyongyang even before the predictable victory of Lee Myong Bak in the

presidential elections of December 2007. North Koreans seemed to believe that the 'engagement' rhetoric of the South Korean ruling class had a 'false bottom' - that its real desire was to use engagement to undermine the Pyongyang regime and cause it to collapse. (As a matter of fact, such a view is not completely at odds with what I have heard from some quarters in Seoul.) Northerners became worried lest further cooperation with Seoul amount to letting in a Trojan horse. ... Prevention of such a development is much more important to them than the possible economic benefits that some South Koreans naively believe play a role in the political calculations of the Pyongyang elite. The elite has what it needs. Improvement of the economic situation for the general population is not a matter of life and death, but political stability is. The usefulness of the Six Party Talks seems to North Koreans to have been exhausted. Further down the road they would have to discuss - and probably be pressed for concessions on something really tangible, such as their reprocessed fissile materials and actual nuclear weapons. That, most likely, formed no part of their calculations, at least at the early stage of searching for a strategic compromise with the West. ... The crucial factor probably was the reported illness of Kim Jong Il, which came as a shock to the elite. Without Kim Jong Il's guidance, they were too scared to continue the elaborate 'chess game' with the West. 'Opening' seemed to present a real and immediate danger. To increase the vigilance and boost the flagging spirits of the population an external enemy was needed. So the country followed the familiar pattern of closing up and tightening the screws as demanded by the military and ideologues. At the same time, from a pragmatic point of view world attention - and the attention of the new US administration above all - was easily attracted by raising tensions, which also served to raise the stakes for a future diplomatic contest. This strategy probably took shape in late 2008, after the initial shock brought about by Kim Jong Il's health problem wore off. The malevolent speculations in the West and South Korea about Kim Jong Il's possible demise and the DPRK collapse that might follow really irritated the North Korean leadership. Emotions are not unimportant in politics. Seeing the degree of personal animosity of so much of the outside world, North Korea's leaders felt morally right to resist compromise or concession. They concluded that only sheer force, not mere words, could assure their survival. The early signs included very harsh statements and rhetoric on the part of North Korea's Foreign Ministry and its military spokespersons. Relations with South Korea were almost totally suspended. The criticism of Lee Myung Bak reached unprecedented heights. However the world did not take that seriously, seemingly following instead a path of 'benign neglect.' ... The missile launch, widely publicized for nearly two months, became a perfect opportunity. North Koreans may have taken secret satisfaction from the fact that Western governments (especially Japan's) swallowed the bait and gave the missile launch much more attention and publicity than it deserved. ... What next? It looks as though the international community will have to wait until earnest dialogue between the US and the DPRK starts. ... It may sound somewhat cynical, but the US administration now has a unique chance to work out a totally new approach to Korean problem. First, a paradigm of US-DPRK coexistence has to be worked out based on the assumption that the Pyongyang regime is here to stay and should be recognized. A tacit understanding on the future of the DPRK and an easing of pressure on the country should be effected. (Paradoxically, such easing of tensions could open the way to peaceful evolution of the regime, first by economic marketization and later by a resulting softening of the regime). This new

approach should be seriously presented to North Korea by a communication at the highest level, without the demand for immediate "tit for tat". Only after doing that could new arrangements for security on the Korean peninsula be discussed, with demilitarization and denuclearization remaining a vital but distant goal. Although the role of the US is central to bringing about change, that of other players is also important. China and Russia would support such an approach with little reservation and they will help promote dialogue since normalization in Korea corresponds with their strategic goals both in the region and in their relations vis-à-vis the United States. Japan has to change its unconstructive approach and at least take a wait-and-see attitude, without attempting to disrupt the dialogue or to promote its own egoistic interests. South Korea could play a vital role by supporting US efforts, rather than pushing its own agenda without concern for wider goals, and it should refrain from hostile actions against the DPRK whatever irritations it might face." (Georgy Toloraya, "The New Korean Cold War and the Possibility of Thaw," *Japan Focus*, May 14, 2009)

5/15/09

KCNA: "The Central Special Zone Development Guidance General Bureau sent a message to the south side through the Kaesong Industrial Zone (KIZ) Management Committee on Friday in connection with the fact that the north-south working contact for the revision of contracts on the KIZ has come to a rupture. The working contact aimed to comprehensively reexamine and renegotiate the institutional preferential measures in the KIZ has faced the situation arousing concern due to the south side's perfidious attitude, the message says, and goes on: The south side was compelled to respond to the contact on April 21 but it showed such seriously indecent attitude as delaying the contact for more than 10 hours while raising an unreasonable issue in disregard of even an elementary decorum and morality. The south side promised to inform the north of the date for the next contact soon. However, it has delayed informing the north of the date for more than 20 days while getting hell-bent on a racket of confrontation with the DPRK over an issue outside the agenda despite the fact that the north side urged the south side on several occasions and showed such sincerity and magnanimity as informing it of the number of persons to be involved in the contact and its date and venue, etc. on its own initiative. The south side refused to respond to the contact the north side suggested again to have on May 12, driving the hard-won working contact to the crisis of rupture. Moreover, the south side did not hesitate to kick up a row over the issue of a man who is now under investigation after being arrested red-handed for conducting a dishonest hostile act against the DPRK as an employee of Hyundai Asan in the KIZ and raise the issue as a precondition for the working contact. By nature, the north side may revise laws and regulations and norms set by it and notify the south side of them and unilaterally put them into force as the KIZ is under its jurisdiction. But it offered the south side an opportunity of holding renegotiations with the north side, independent of the prevailing situation, taking the present north-south relations and the fate of the south side's businesses into due consideration. However, the south side responded to our sincere efforts with a confrontational stand at last. This situation compels the north side to reconsider its stand to seek negotiated settlement of the issue as it has already informed the south side. The north side solemnly notifies the south side of the following measures upon authorization: First. We declare null and void the rules and contracts on the land rent, land use tax, wages, all sorts of taxes, etc. which we have so far applied to the south side in the KIZ out of special favor, guided by the spirit of the

June 15 joint declaration. Second. We will start going through the procedures for implementing the measures in line with the laws, regulations and norms to be revised as required by the changed situation and reality. The enterprises and personnel concerned of the south side in the KIZ should unconditionally accept the above-mentioned matters and we do not care about them leaving the KIZ if they have no will to carry them out. It is none other than the south side's authorities which caused the north side to take such measures. We can not show favor for an indefinite period to those who seek confrontation with fellow countrymen. The south side will be held responsible for making the working contact aimed at modifying the contracts on the KIZ abortive and deteriorating the situation. Whether the situation will reach a more deplorable phase in the future or not entirely depends on the south side's attitude." (KCNA, "Prospect of KIZ Depends on S. Sides' Attitude," May 15, 2009)

North Korea announced the nullification of all contracts on rent, salaries and taxes at the Gaeseong Industrial Complex, asking the South to empty the industrial estate unless it honors the North's wishes to amend related laws and rules. The notification came about five hours after the two Koreas were unable to set a date for talks due to their wrangling over the release of a Southern worker detained by the North. Unification Ministry spokesman Kim Ho-nyoung expressed regret over Pyongyang's one-sided announcement and urged the North to withdraw the demands and engage in dialogue, saying that it won't accept the cancellation of the contracts. "North Korea has to abandon its unjustifiable attitude and withdraw the announcement," he said. "We call for a prompt response to the inter-Korean talks that we proposed on May 18." Professor Yang Moo-jin at the University of North Korean Studies in Seoul said that if the South changes its stance toward the detainee issue, the North would respond. "What matters is whether or not to put the issue on the table during the talks. Unless the South drops its request, the meeting will not take place," he said. (Kim Sue-young, "N. Korea Scraps Kaesong Contracts," *Korea Times*, May 15, 2009)

"The Swedish ambassador to North Korea (Mats Foyer) ... met with each of the two detained American citizen journalists on May 15," State Department spokesman Ian Kelly said. "The ambassador had previously met with them on March 30." (AFP, "Swedish Envoy Meets Detained Journalists in North Korea," May 16, 2009)

Denying Pyongyang's suggestions to hold a meeting May 6 and 12, Seoul strongly proposed talks on the worker's release. After the North rejected the request, the South proposed yesterday to hold working-level talks May 11 even if the North does not promise to discuss the issue. But the North rejected the request again, calling it "unilateral." Seoul considered holding the meeting May 12 but decided on May 16, when President Lee Myung-bak returned from his Central Asian tour. North Korea has tried to speed up the convening of another meeting right after the first meeting April 21. When the South delayed its response to the request, the North sent a notice May 4 proposing to meet two days later. The South rejected the offer, saying "We need time for preparation," and sent a notice to the North May 8, saying, "Let's discuss pending issues on the Kaesong industrial complex at the inter-Korean economic cooperation office." The North sent a reply May 9, saying, "Let's meet sooner," suggesting talks May 12. "We are not in charge of the Hyundai Asan worker, and hence are in no position to

discuss the issue," it added in repeating its earlier stance. The North, however, did not object to the venue of the meeting, namely the inter-Korean economic cooperation office. The South again sent a notice May 11 saying, "Let's hold the meeting Friday [May 15] as suggested earlier, as we need time to gather opinions from companies operating in the Kaesong industrial complex," adding, "The worker's release is a fundamental concern on the complex, and thus should be discussed without fail." On the morning of May 12, the date when North Korea proposed to hold the meeting, three South Korean working-level officials visited the complex and discussed the timing and agenda of the planned meeting. The North demanded in the afternoon that Moon Moo-hong, chairman of the South's Kaesong industrial complex management committee, appear at the office of the North's authority in charge of the complex. Moon hurriedly went to the North but rejected going to the office, saying "I need time." The North then said, "If you insist, we can unilaterally disclose our demands." Afterwards, the North rejected the South's requests to meet May 12 and 13. (*Dong-A Ilbo*, "Two Koreas Engage in War of Nerves over Detainee," May 16, 2009)

South Korea is increasingly concerned that North Korea's latest threat to process plutonium to expand its nuclear arsenal is no longer a negotiating ploy to gain leverage with the US. Policymakers in Seoul believe that Pyongyang may have decided to pursue a non-negotiable strategy of trying to develop nuclear-tipped ballistic missiles by 2012, in an attempt to bolster the ailing regime with a credible atomic deterrent and secure a domestic propaganda coup. "We hope they will return to negotiations but we are also preparing for the second contingency - that they do not," said one senior South Korean official. "A few years ago, many people thought North Korea would give up its nuclear weapons in an exchange. Now, that is not the common view." South Korean officials initially saw the sabre-rattling as an effort to test relatively inexperienced presidents in Seoul and Washington. But now they suspect it is part of a propaganda campaign to become a "mighty nation" by 2012, the centenary of the birth of Kim Il-sung, the nation's founder. "The North's military has greater sway than before because of internal weaknesses, such as Kim Jong-il's health," he said of Pyongyang's current leader, who suffered a stroke last year. But while South Korea grows more alarmed about North Korea, some US observers say the Obama administration is less pessimistic. Dennis Wilder, the top White House Asia official until January, says the South Korean view was "a little bit out in front" of the other six-party members. (Christian Oliver and Demetri Sevastopulo, "N. Korea Rhetoric Worries Seoul," *Financial Times*, May 15, 2009, p. 6)

North Korea's rocket launch last month has helped extend the range of its ballistic missiles, and the country is likely to make more progress down the road in developing such missiles through a close examination of the latest event, the Defense Ministry said in a report. In a separate report, the ministry has also determined that a succession of mistakes within Japan's defense apparatus resulted in erroneously alerting the public about a rocket launch one day before it actually occurred. Both findings were reported to the joint session of the LDP defense policymaking committees. According to the first report, the rocket used was a Taepodong-2 long-range ballistic missile or its improved version, possibly with a propulsion device attached to its warhead as the third stage, judging from Pyongyang's missile development records. The propulsion device of the first stage apparently fell into the Sea of Japan about 320 kilometers off Akita Prefecture

in northeastern Japan, or about 540 km from the launch site, after being separated, the report said. The second and third stages, if there was a third as North Korea claims, apparently fell into the Pacific Ocean after traveling more than 3,000 km from the launch pad in Musudan-ri in northeastern North Korea, it said. The second report concluded that information on a rocket launch was erroneously conveyed to the Japanese public on April 4 due to miscommunications within the Air Self-Defense Force and its failure to make sure such information had been received from a U.S. early warning satellite. The report called for verifying a launch by using data from the satellite, which Japan counts as the most credible source of such information, given that even top Self-Defense Forces officers failed to corroborate launch information before it got out. The erroneous information sowed a great deal of confusion among the public, who were on high alert for falling rocket parts, and deeply embarrassed the government of Prime Minister Taro Aso. At 12:16 p.m., April 4, the Air Defense Operations Group of the Air Self-Defense Force notified the force's Air Defense Command of a trace picked up by a surveillance radar, according to the report. But a person who received the information at the command mistook it for a detection by a U.S. early warning satellite, and announced it as "SEW received," which meant the launch information came from the satellite, the report said. Another person at the command then relayed the information to the SDF's Central Command Post, where a managerial-post ministry official went on to announce it with the word "launch." A ministry liaison official at the prime minister's office who received the information via a teleconference device then announced it to others at the office twice, according to the report. At 12:17 p.m., it dawned on those at the command post that no launch information had been received from a U.S. early warning satellite, the report said. The radar in Chiba had also lost the trace by then. The report concluded that the error resulted from the miscommunication within the ASDF's Air Defense Command and the failure at both the Air Defense Command and the Central Command Post to verify the receipt of launch information from an early warning satellite. (Kyodo, "N. Korea's Rocket Launch Extended Missile Range: Defense Ministry," May 15, 2009)

5/16/09

Japan's main opposition party on chose Hatoyama Yukio as its new leader in a bid to regain its momentum prior to a forthcoming general election in the wake of a fundraising scandal involving a secretary of his predecessor Ozawa Ichiro. Winning by 124 to 95 votes over Vice President Okada Katsuya, Hatoyama, 62, said he is eyeing tapping Okada, 55, as well as Ozawa, 66, to join his team, but added he has no idea yet what specific posts they may hold. An election victory for the DPJ would put an end to the LDP's almost total control of Japanese politics since 1955. But even if the DPJ wins an overall majority, Hatoyama said, it will continue to tie up with the Social Democratic Party and the People's New Party in Diet management, noting that the upper house is only controlled by a combined majority of the opposition bloc. A right-hand man of Ozawa, Hatoyama reportedly gained broad support in the party, including the largest faction led by Ozawa. Analysts say Hatoyama, whose grandfather was former Prime Minister Ichiro Hatoyama, will hardly help the DPJ differentiate itself from the ruling LDP led by Prime Minister Taro Aso, who will be Hatoyama's rival in the general election. Aso is the grandson of former Prime Minister Shigeru Yoshida. (Kyodo, "Hatoyama Wins DPJ Leadership to Succeed Ozawa, Beating Okada," May 16, 2009)

5/19/09

The openness of high-ranking North Koreans to take bribes may account for the reported execution of a senior official once responsible for the North's relations with the South. South Korean analysts offer that explanation for the elimination of Choe Sung-chol, the senior North Korean responsible for implementing North-South reconciliation until last year. Choe had frequent dealings with Hyundai Asan, the company that built the Kaesong industrial complex 40 miles north of Seoul just across the demilitarized zone between the two countries. He reportedly had often visited the complex and knew the managers of many of the 100 South Korean companies that operate factories there. Choe was serving as chief vice director of the unification front department of the Workers' Party when South Korean officials last saw or heard from him more than a year ago. Reports at the time said he was doing penance as a worker on a chicken farm. According to the South Korean media, North Korean officials blamed Choe for making the North "dependent on South Korea." But Ha Tae Keung, president of NK Open Radio, which broadcasts news into North Korea from Seoul, places little credence in these accounts. The influence of South Korean culture and industry comes mainly via China, he notes, through shipments of DVDs, CDs, and other products, much of it in illegal trade across the Yalu and Tumen river borders. (Donald Kirk, "Execution in North Korea Underscores Tough Stance on Influence from South," *Christian Science Monitor*, May 19, 2009)

5/20/09

Q: Nicholas Kralev of the *Washington Times*. ... We know where we were in October-November, with Yongbyon mostly disabled, with the cooling tower blown up, but there's been nothing happening - even, there's been some reversal since then. What are your concerns about how far this reversal could go, and is there danger, today, in the next few months, of the North Koreans actually producing plutonium? SAMORE: Well, I think there is. I think the North Koreans have made a very deliberate, conscious decision to walk away from the agreements they made with the Bush administration, including to reverse the steps that they took to disable the Yongbyon facilities. And of course, they've publicly threatened that they will not only produce plutonium; they will also proceed with an enrichment program and test nuclear devices. I think the North Koreans have decided that they would try to kill the Six Party Talks and to pursue the nuclear issue in a purely bilateral relationship with the United States. Now, how much of this reflects internal developments in North Korea, I really don't think we know. But in terms of our policy, we've made it clear that we are not prepared to engage on a purely bilateral basis. We will insist upon the preservation of the Six Party Talks as the framework for dealing with the issue - for disarming North Korea - and we will insist on North Korean nuclear disarmament as our objective. I think the North Koreans would like to be recognized or accepted as a nuclear weapons state and we're not going to do that; we've made that very clear. **Now, the North Koreans will take their measures. I mean, they will take the escalatory steps that they have decided to take. We will respond, with our allies and our partners, in terms of taking, you know, actions in response,** as we did after their satellite launch in terms of additional U.N. sanctions. **My prediction is, at the end of the day, the North Koreans will find that they have no choice but to engage in the Six Party Talks again, because there's no other alternative. But** it may take some time before we get there; **it may take months before we get there.** ...Q . My name is Jiang (sp) from Radio Free Asia. On North Korea, I would like to ask you what's your view and the information about the possibility



of the second nuclear test, and what's the Obama administration's plan regarding this? SAMORE: Well, the North Koreans have threatened that they may conduct a second nuclear test, and they may do it. The best we can do is to try to persuade them that that would be a mistake, and we will work with our allies in the Six Party Talks to try to convince the North Koreans not to do that. And if they do it, then we'll take appropriate measures, just as we did in response to the satellite test. (Gary Samore, Special Assistant to the President and White House Coordinator for Arms Control and WMD and Terrorism, Arms Control Association, May 20, 2009)

5/21/09

In an apparent attempt to tighten its control of the Kaesong Industrial Complex, North Korea gave South Korea a draft proposal late last month for tougher rules on road use in the business park. Under the proposed regulations, the North would ban certain vehicles that cause excessive air pollution and damage roads. It also would assess a range of new fines on South Korean businesses and workers in the area, such as \$30 for jaywalking and \$1,000 for illegally blocking streets. Fees for damaging asphalt or concrete would run \$50 per square meter, and the South would have to perform year-round road maintenance work or face additional fines. The North's Central Special Development Guidance Bureau, which oversees the complex located just north of the border, handed the draft to its counterpart agency in the South, according to sources from South Korean businesses operating in Kaesong. (Chae Byung-gun and Jeong Yong-soo, "North Proposes New Road Rules, Fees in Kaesong," *JoongAng Ilbo*, May 21, 2009)

Kim Myung-chol: "In his drive to build a mighty and prosperous country and have the divided Land of Morning Calm reunified in an independent and peaceful manner, all indications are that Kim Jong-il, supreme leader of the Democratic People's Republic of Korea (DPRK), has **finalized a little-known watershed decision in March to shift to a 'plan B'** after more than a dozen years of fruitlessly pursuing 'plan A.' The South Koreans now seem to be aware that the Kim Jong-il administration has shifted to plan B. *The Financial Times* reported on May 14, "South Korea is increasingly concerned that North Korea's latest threat to process plutonium to expand its nuclear arsenal is no longer a negotiating ploy to gain leverage with the US." **The shift to plan B is a result of a critical policy review of the first three months of the United States Barack Obama administration and the 16 years of the two previous administrations** of Bill Clinton and George W Bush. **Plan A called for the DPRK to consider exploring a shortcut to enhanced independence, peace and prosperity through rapprochement with the US. Plan A obliged the Kim Jong-il administration to negotiate away its nuclear weapons program as part of a verified denuclearization of the whole of the Korean Peninsula in return for Washington's strategic decision to co-exist peacefully with Pyongyang.** Plan A assumed the US would decide to leave behind its policy of hostility to the DPRK, conclude a peace treaty with North Korea, and pledge in a verifiable way it would not attack it with nuclear and conventional arms. It also assumed the US would establish full relations with North Korea, show respect for its sovereignty and independence, lift sanctions imposed on it, and provide it with fuel oil and light-water reactors. Plan A was the engine behind the 1994 Agreed Framework with the Clinton administration and a series of nuclear agreements from six-party talks with the Bush administration, including the September 19, 2005 joint statement, the

February 13, 2007 agreement, the October 3, 2007 agreement and the July 12, 2008 agreement. **Despite plan A, the US has remained hostile to North Korea as it is bent on its nuclear disarmament, painting it as a criminal state, and toppling its regime.** The Clinton administration did not want to fulfill the US's obligations under nuclear agreements and procrastinated for years, secretly betting on the collapse of the DPRK. The Bush administration was more overtly antagonistic, branding the DPRK as part of the "axis of evil", singling out it as a prime target for a nuclear pre-emptive strike, and moving to discard the nuclear agreement. The US has not adopted a "live and let live" policy towards the DPRK, and it has refused to take any specific steps to reduce its nuclear threat to it, while North Korea was close to accepting full normalization of ties and a peace treaty with the US. The Obama administration, which was launched with much fanfare and vows to reverse the disastrous policies of the Bush administration, has struck the Kim Jong-il administration as unmistakably no different from it in terms of hostility to the DPRK. **Compelling evidence came in three episodes. The first was the March 9-20 Key Resolve (Team Spirit) joint war games between the US and South Korea. Secondly, the US-led United Nation Security Council's (UNSC) condemnation of an innocuous April 5 satellite launch.** The launch was a scientific research experiment partly intended to serve as a firework display to celebrate the re-election of Kim Jong-il as the all-powerful National Defense Commission, partly to demonstrate that North Korea has joined the two elite clubs of nuclear powers and space powers, and partly to signal it will join a third elite club of economic tigers by 2012. **The third piece of compelling evidence is Obama's decision to overhaul and restart the Bush administration's military tribunals for Guantanamo Bay terrorism detainees.** The Key Resolve exercise presented a direct threat to the national security of the DPRK and served as potent evidence of the US's unchanged readiness to invade it whenever it is off guard. Its cancellation might have sent a positive message that the Obama administration would be willing to roll back the hostile policy of successive administrations to Pyongyang. The Clinton administration's chief negotiator Robert Gallucci told the Japanese daily newspaper *Yomiuri Shimbun* that it was a mistake for the Obama administration to bring the North Korean satellite launch before the UN and not to have direct talks with North Korea. The US-initiated UNSC condemnation of the North Korean satellite launch was further proof of the Obama administration's true colors. By taking this path the Obama administration has in three ways: seriously infringed on the inalienable sovereignty and national dignity of the DPRK: Firstly, it has obviously attempted to hurt the prestige of Kim Jong-il in the eyes of the Korean people and spoil the festive mood that enveloped the DPRK in the wake of the re-election of Kim Jong-il as chairman of the National Defense Commission. Secondly, every nation has a sovereign right to the peaceful use of outer space and the UNSC has never discussed a satellite launch by any other country. A total of 5,736 satellites were launched during a 50-year period from 1957 to the end of 2006 with the US and Russia accounting for about 88% of these and Japan placed the third with 119, representing a yearly worldwide average of approximately 120 satellites. In short, a satellite blasts off somewhere in the world every three days. Thirdly, the UNSC could not even agree on a term for North Korean satellite, meaning it effectively condemned the launch of an unidentified flying objects or UFO. As Dr Gavan McCormack, professor of Australian National University wrote in *Japan Focus* on April 13: Notably, the council nowhere spelled out what North Korea might have launched, for the simple reason that its

members could not agree: some thought missile, some thought satellite. Unable to agree on a noun, it therefore compromised with the verb 'launch.' The council's strong and peremptory diplomatic language - 'condemns', 'demands', etc - was therefore oddly out of kilter with its inability to decide what it was condemning. Essentially it was saying North Korea was not to launch any more unidentified flying objects, or 'UFOs'. 'Whatever it was you launched', said the Security Council in effect, 'you should not have and you must not do it again.' The Kim Jong-il administration has learned the hard way that there is no point in negotiating with the US government on a bilateral or multilateral basis while the US remains hostile with no intention of adopting a 'live and let live' policy towards Pyongyang. Plan B envisages the DPRK going it alone as a fully fledged nuclear weapon-armed state, with a military-first policy, and then growing into a mighty and prosperous country. It will put the policy of seeking reconciliation with a tricky US, a helpless superpower with a crippled economy that is losing wars in Iraq and Afghanistan, on the back burner. The DPRK is equipped with all types of nuclear warheads, atomic, neutron and hydrogen, and their means of delivery puts the whole of the USA within effective range. The Times of London wrote on April 24, 2009: "The world's intelligence agencies and defense experts are quietly acknowledging that North Korea has become a fully fledged nuclear power with the capacity to wipe out entire cities in Japan and South Korea." The announced vow to quit six-party talks, restart nuclear facilities and conduct additional nuclear and intercontinental ballistic missile tests is a clear message that the Kim Jong-il administration's decision to shift to plan B is irretrievable. Plan B will help Kim Jong-il to be comfortable in the driver's seat, as he is responsible for the destiny and the wellbeing of his people, who are the inhabitants of ancestral Korean soil bequeathed by Dankun, founder of Korea 5,000 years ago and Chumong, founder of Koguryo 2,000 years ago. Plan B calls for the DPRK to join all three elite clubs of nuclear, space and economic powers by 2012, without seeking improved ties or a peace treaty with the US, as the DPRK has built up an independent global nuclear strike force which can carry the war all the way to the metropolitan US rather than on the Korean Peninsula. Kim Jong-il has stated: "The entire party, the entire armed force, the entire population should re-double their efforts to bring about a new revolutionary surge, convinced that victory is certain and showing the indomitable spirit and thus fling open the gate of a great prosperous powerful nation by 2012 and more strikingly demonstrate the dignity and might of Songun [military-first policy] Korea." According to the May 14, 2009 *Financial Times*, "South Korean officials initially saw the sabre-rattling as an effort to test relatively inexperienced presidents in Seoul and Washington. But now they suspect it is part of a propaganda campaign to become a 'mighty nation' by 2012, the centenary of the birth of Kim Il-sung, the nation's founder." (Kim Myong-chul, "Kim Jong-il Shifts to Plan B," *Asia Times*, May 21, 2009)

5/22/09

Signs that North Korea is preparing to test-fire short-range missiles have been detected, as the communist state was busily relocating missile-related equipment and vehicles in its northeast region and banning ships from regional waters, South Korean officials said. "We've been seeing brisk activities along the North's northeast coast over the past two to three days, indicating trucks mounted with mobile rocket launchers are on the move," a South Korean defense ministry official said. "Judging from an analysis of the military movements, the North appears to be preparing to test-launch short-range missiles," he said. A Joint Chiefs of Staff official, who also declined to be identified, said the ban on

vessels in the northeastern coastal area could be a precursor to a missile test. "Such a ban usually comes ahead of a short-range missile test or a live-fire drill," the official said. According to the Japan Coast Guard, North Korea has warned ships to stay clear of waters within a 130-km radius from the city of Kimchaek in its northeastern region until the end of this month. The ban, effective from 10:00 a.m. to 6:00 p.m., follows North Korea's threats to conduct further missile tests to protest the U.N. Security Council condemnation of its April 5 rocket launch. (Yonhap, "N. Korea Moves to Test-Fire Missiles in Northeast Sea: Officials," May 22, 2009)

5/23/09

Before dawn today, former President Roh Moo-hyun of South Korea switched on his computer and typed a suicide note – his last comment on a corruption scandal that threatened to undo his proudest, and last remaining, legacy: his record as an upstanding political leader. "Many people suffered too much because of me," Roh said in his suicide note. "I would be a burden for them for the rest of my life." "Don't be too sad," Roh said in the note meant for his wife and two children. "Life and death are all parts of nature. Don't be sorry. Don't blame anyone. Accept it as fate." An hour and a half later, as the sun rose through a cloudy sky, Roh, 62, climbed a hill overlooking his native village of Bongha, on the south coast, and jumped off a cliff. In his last months, Roh had seen his personal achievements clouded by accusations of corruption and many of his political accomplishments undone. Those who were close to Roh said the charges of corruption, which his allies say were politically motivated, were especially painful because he had made his name as a "clean" politician refusing to follow in the path of his predecessors; every former South Korean president since the 1980s has faced corruption accusations or gone to prison on such charges after his term was over. In recent weeks, Roh acknowledged that a businessman who supported him had given more than \$6 million to his wife and son and his brother's son-in-law while he was in office, but he denied the payments were bribes. He said that he did not know about the transactions until he left office and that the money for his wife went to pay a debt. (Choe Sang-hun, "Despair Overwhelmed Former South Korean Leader Embroiled in Bribery Scandal," *New York Times*, May 24, 2009, p. 4)

A pro-Pyongyang newspaper today called on the U.S. government to adopt "an audacious approach" toward North Korea to improve worsening ties. "Despite the launch of the Obama administration calling for 'change,' relations between the DPRK and the United States are getting worse than in the Bush administration's last years in power," *Choson Sinbo* said. "It is inevitable for the U.S. to adopt an audacious approach (toward North Korea) if things are worse enough for a North Korean foreign ministry spokesman to assert that the nation's cherished desire for denuclearization has gone forever." The Obama administration "made the mistake of insisting the rocket launch is a missile test" and "propelled" North Korea to carry out its second nuclear test, the paper said. The U.S. president should now discard the six-party framework and start **nuclear disarmament talks** bilaterally with North Korea, the article continued, citing his policy to pursue a similar process with Russia. "If President Obama intends to carry out his plan on the Korean Peninsula and the region without exceptions, it should get out of its current coercive diplomacy that has ruptured the six-party framework and broken down the denuclearization process," it said. "The resolution of the confrontation and tension depends on whether the new U.S. administration can take a bold approach toward

North Korea." (Yonhap, "Pro-Pyongyang Paper Calls for 'Audacious' Approach by Obama," May 26, 2009)

5/25/09

KCNA: "The Democratic People's Republic of Korea successfully conducted one more underground nuclear test on May 25 as part of the measures to bolster up its nuclear deterrent for self-defense in every way as requested by its scientists and technicians. The current nuclear test was safely conducted on a new higher level in terms of its explosive power and technology of its control and the results of the test helped satisfactorily settle the scientific and technological problems arising in further increasing the power of nuclear weapons and steadily developing nuclear technology. The successful nuclear test is greatly inspiring the army and people of the DPRK all out in the 150-day campaign, intensifying the drive for effecting a new revolutionary surge to open the gate to a thriving nation. The test will contribute to defending the sovereignty of the country and the nation and socialism and ensuring peace and security on the Korean Peninsula and the region around it with the might of Songun." (KCNA, "KCNA Report on One More Successful Underground Nuclear Test," May 25, 2009)

CRS Report: "ODNI stated: 'The U.S. Intelligence Community assesses that North Korea probably conducted an underground nuclear explosion in the vicinity of P'unggye on May 25, 2009. The explosion yield was approximately a few kilotons. Analysis of the event continues.'" The lack of certainty as to whether the test was nuclear arises because seismic signals, including those detected by 61 stations of the IMS,<sup>13</sup> were consistent with a nuclear test, and seismic signals from the 2006 and 2009 events were very similar, but open sources did not report the detection of physical evidence that would provide conclusive proof of a nuclear test, such as certain radioactive isotopes of noble gases or radioactive particulates (i.e., fallout). For example, the CTBTO PrepCom stated, "The detection of radioactive noble gas, in particular xenon, could serve to corroborate theseismic findings. Contrary to the 2006 announced DPRK nuclear test, none of the CTBTO's noble gas stations have detected xenon isotopes in a characteristic way that could be attributed to the [2009] DPRK event so far, even though the system is working well and the network's density in the region is considerably higher than in 2006. ...Nor have CTBTO Member States using their own national technical means reported any such measurements.' Given the relatively short half-life of radioactive xenon (between 8 hours and 11 days, depending on the isotope), it is unlikely that the IMS will detect or identify xenon from this event after several weeks. ...But while seismic signals from the 2009 event were consistent with a nuclear test, it is very difficult to differentiate between seismic signals generated by a nuclear test and a chemical explosion of comparable energy, so it is conceivable that the test was nonnuclear. ...The ability to contain radioactive material from the 2009 test offers several potential benefits for North Korea. First, careful attention to containment should reduce the likelihood of a major venting of fallout similar to Baneberry. Venting would arguably not be in North Korea's interests. Fallout reaching China could harm North Korea's relationship with its major ally, perhaps leading China to increase pressure on North Korea to halt nuclear testing or even its nuclear weapons program. Fallout reaching Russia could have a similar effect. Fallout on Japan or South Korea would likely antagonize them. Fallout on North Korea could contaminate land. Avoiding fallout is reason enough for North Korea to try to improve its containment capabilities. Second, if particulates containing uranium or

plutonium vented and could be collected at a distance, other nations could analyze them in an attempt to gain data on weapon characteristics, helping to track problems and progress of North Korea's nuclear weapons program. This is another reason for North Korea to focus on containment of its underground explosions. Third, absence of radionuclides from a nuclear test, as a result of containment, could make it harder to muster the 30 votes in the 51-member CTBTO Executive Council needed to authorize an OSI by providing scientific cover to nations that wanted to deny a request for an OSI on political grounds. This approach could be more significant for a nation with more allies than North Korea has. On the other hand, a lack of radioactive noble gases combined with a nuclear explosion-like seismic signal and other technical evidence would provide a compelling technical case for requesting an OSI. Of course, the surer way for North Korea to avert OSIs would be for that nation not to ratify the CTBT, keeping it from entering into force. Fourth, and more speculatively, successful containment could enable other nations to conduct nuclear tests in North Korea. This does not appear to have happened, but Iran is a possible candidate." (Jonathan Medalia, "North Korea's 2009 Nuclear Test: Containment, Monitoring, Implications," Congressional Research Service, April 2, 2010)

North Korea carried out its second underground nuclear test and fired three short-range missiles toward the Sea of Japan, prompting the scheduling of an emergency meeting of the U.N. Security Council. North Korea, through its official media, said it "successfully conducted one more underground nuclear test on May 25 as part of the measures to bolster up its nuclear deterrent for self-defense." The nuclear test was "safely conducted" and its results "helped satisfactorily settle the scientific and technological problems arising in further increasing the power of nuclear weapons," KCNA reported. South Korean Defense Minister Lee Sang Hee told parliament North Korea test-fired three short-range missiles from its eastern coast after declaring that it had successfully conducted a nuclear test. Russia's Itar-Tass news agency quoted a high-ranking Russian defense official as saying the power of the nuclear explosive device tested in the northeastern part of North Korea, where its first nuclear underground test was conducted in October 2006, was about 20 kilotons. (Kyodo, "N. Korea Announces Nuclear Test, Fires 3 Short-Range Missiles," May 25, 2009) North Korea's second nuclear test came as no surprise to South Korean officials on Monday, but they said the unpredictable communist nation pulled out its trump card earlier than expected. "North Korea seems to want a speedy game," a senior South Korean government official handling the nuclear issue said. "It seems to be seeking to create a condition favorable to itself as early as possible, rather than dragging its feet." (Lee Chi-dong, "N. Korea Moving Fast in Timetable of Provocative Steps," Yonhap, May 25, 2009) The test, described as "successful" by KCNA, escalates a pattern of provocation that this spring has included the long-range missile launch, detention of two U.S. journalists, kicking out U.N. nuclear inspectors, restarting a plutonium factory and halting six-nation negotiations on its nuclear program. North Korea said its second nuclear test was more powerful and better controlled than its 2006 test, which many experts characterized as a semi-failure. But several U.S. experts on nuclear weapons said Monday's test demonstrated that the North Koreans have not yet mastered the technology of creating a reliable nuclear bomb. "The simplest hypothesis is that they're trying to build a weaponizable device and they're still not that good at it," said Jeffrey Lewis, director of

the Nuclear Strategy and Nonproliferation Initiative at the New America Foundation, a nonprofit group. The explosive yield from Monday's test was in the range of 2 to 4 kilotons, which is two to five times that of the 2006 test, according to Siegfried S. Hecker, a periodic visitor to North Korea's nuclear complex in Yongbyon who is a former director of the Los Alamos National Laboratory and current co-director of Stanford University's Center for International Security and Cooperation. "You would expect 10 to 20 times that yield," said Theodore Postol, a professor of science, technology and national security policy at the Massachusetts Institute of Technology. "These guys have not solved the problem." On a technical level, Postol said, the North Koreans appear to be having trouble building a device that uses explosives to compress plutonium into a perfect ball, which creates a uniformly spherical implosion and the maximum possible explosive yield. "It means they are not yet able to confidently build an experimental weapon and they may not be able to determine what they did wrong," Postol said. Still, Monday's test represented some progress, according to a former intelligence official who has long studied North Korea. "Without question, it's a step forward," said the official, who spoke on the condition of anonymity because of the sensitive nature of his past work. North Korea has for years been the target of international sanctions intended to limit the country's access to bomb and missile-making technology. But a senior administration official said that although the sanctions have undermined the North's economy, they have had little direct effect on its "entirely indigenous" nuclear program. The government mines its own uranium, builds laboratories using its own technical expertise and generates its own plutonium, making it hard to stop the process from the outside, the official said. After it exploded a small nuclear device in 2006, North Korea agreed to begin shutting down its main nuclear reactor and began to disable it. It did so in return for food, fuel and diplomatic concessions, including a move by the Bush administration last year to remove North Korea from a U.S. list of state sponsors of terrorism. But the negotiations did nothing to stop North Korea from trying to improve the quality of its nuclear devices. "It is not surprising that the North tested again," said Hecker, who has occasionally been in contact with North Korean nuclear scientists. "The October 2006 test must have raised as many questions for them as it answered. The technical people must have been eager to conduct another test or two." Hecker said that after North Korea decided in April to cut off the six-nation nuclear talks sponsored by China and reprocess about 18 pounds of plutonium in spent reactor fuel, "they had sufficient material for another test or two." (Blaine Harden, "North Korean Nuclear Blast Draws Global Condemnation," *Washington Post*, May 26, 2009, p. A-1)

Jeffrey Park: North Korea's test "was too small to be a successful Hiroshima-class crude explosive device, by a factor of three or four. The reported estimates of Richter magnitude spread from 4.5-5, and the standard conversions to explosive yield suggest a yield of 2-6 kiloton-equivalents of TNT. Most of the latest Richter magnitude estimates have come in the low half of the 4.5-5 range, so it seems likely that the yield was 4 kilotons or smaller. That's a lot of energy, much larger than the 2006 North Korean test, but it still falls far short of an expected 12-20 kiloton yield of a crude Hiroshima-style device. For comparison's sake, the first nuclear tests of all other nations that are self-announced members of the nuclear club had larger yields than this latest North Korean test. Because the expected Hiroshima-style explosion didn't occur, there are four

options as to what did happen during the test: the device failed to detonate properly; the device was a higher-tech device designed for smaller yield with less fissile matter (e.g., missile warheads or briefcase bombs); the North Koreans faked a nuclear explosion with conventional explosives; or the North Koreans detonated a larger device in a large cavity to muffle its yield. The first option is the most likely case given what is publicly known about North Korean diplomacy and technology." (Jeffrey Park, "The North Korean Nuclear Test: What the Seismic Data Says," *Bulletin of the Atomic Scientists*, May 26, 2009)

President's Statement: "Today, North Korea said that it has conducted a nuclear test in violation of international law. It appears to also have attempted a short range missile launch. These actions, while not a surprise given its statements and actions to date, are a matter of grave concern to all nations. North Korea attempts to develop nuclear weapons, as well as its ballistic missile program, constitute a threat to international peace and security. Such provocations will only serve to deepen North Korea's isolation. By acting in blatant defiance of the United Nations Security Council, North Korea is directly and recklessly challenging the international community. North Korea behavior increases tensions and undermines stability in Northeast Asia. Such actions will only deepen North Korean isolation. It will not find international acceptance unless it abandons its pursuit of weapons of mass destruction and their means of delivery. The danger posed by North Korea threatening activities warrants action by the international community. We have been and will continue working with our allies and partners in the Six-Party Talks as well as other members of the U.N. Security Council in the days ahead. (White House, Office of the Press Secretary, Statement from the President Regarding North Korea, May 25, 2009)

President Obama: "North Korea's nuclear ballistic missile programs pose a great threat to the peace and security of the world and I strongly condemn their reckless action. North Korea's actions endanger the people of Northeast Asia, they are a blatant violation of international law, and they contradict North Korea's own prior commitments. Now, the United States and the international community must take action in response. The record is clear: North Korea has previously committed to abandoning its nuclear program. Instead of following through on that commitment it has chosen to ignore that commitment. These actions have also flown in the face of United Nations resolutions. As a result North Korea is not only deepening its own isolation, it's also inviting stronger international pressure -- that's evident overnight, as Russia and China, as well as our traditional allies of South Korea and Japan, have all come to the same conclusion: North Korea will not find security and respect through threats and illegal weapons. We will work with our friends and our allies to stand up to this behavior and we will redouble our efforts toward a more robust international nonproliferation regime that all countries have responsibilities to meet. In this effort the United States will never waiver from our determination to protect our people and the peace and security of the world."

Japanese FM Nakasone Hirofumi sought China's support for Tokyo's push to produce a U.N. Security Council resolution in response to North Korea's proclaimed second nuclear test, a Japanese Foreign Ministry official said. But Chinese FM Yang Jiechi was



non-committal, telling Nakasone at a meeting in Hanoi that China "is seriously listening to Japan's position and wants to continue talks with Japan," the official said. "It is indispensable for the international community to adopt a resolution and clearly show its will," Nakasone was quoted as telling Yang on the sidelines of a two-day Asia-Europe foreign ministerial conference through tomorrow. (Kyodo, "Japan Seeks China's Support for UNSC Resolution on N. Korea," May 25, 2009)

China was resolutely opposed to the nuclear test by the DPRK, the Foreign Ministry said here in a statement. "The DPRK ignored universal opposition of the international community and once more conducted the nuclear test. The Chinese government is resolutely opposed to it," the statement said. It has been the firm and consistent stance of the Chinese government to achieve non-nuclearization on the Korean Peninsula and oppose proliferation of nuclear weapons in an effort to maintain peace and stability in northeast Asia, the statement stressed. The statement voiced a strong demand that the DPRK live up to its commitment to non-nuclearization on the Korean Peninsula, stop any activity that might worsen the situation and return to the track of the six-party talks. The statement noted that maintaining peace and stability in northeast Asia region conformed to the common interests of all parties concerned, called for a calm response from all parties concerned and urged them to pursue peaceful resolution of the issue through consultation and dialogue. China would continue its unremitting efforts to this end, the statement added. (Xinhua, May 25, 2009)

Statement by Spokesman Ian Kelly: "Secretary Clinton is engaged in intensive diplomacy concerning the DPRK's claims of a nuclear test. She has been in regular consultation with our Six Party partners and spoke this morning with Japanese Foreign Minister Nakasone and South Korean Foreign Minister Yu. She plans to speak with her Chinese and Russian counterparts later today. In her conversations, the Secretary stressed the importance of a strong, unified approach to this threat to international peace and security. She consulted with them on this afternoon's Security Council meeting, and reiterated our commitment to regional security and to our alliances." (DoS, Readouts of Secretary Clinton's Calls to Japanese and South Korean Foreign Ministers, May 25, 2009)

President Lee Myung-bak asked U.S. President Barack Obama not to reward North Korea's saber-rattling during a 20-minute telephone conversation, Lee reminded Obama of Pyongyang's first nuclear test in 2006 "through which North Korea got rewards including the resumption of dialogue with the international community," presidential spokesman Lee Dong-kwan told reporters. "We need to refer to the experience," Lee was quoted as saying. "The international community should cooperate closely to prevent a repetition." (Hwang Jang-jin, "Lee urges Obama not to Reward N. Korea," *Korea Herald*, May 26, 2009)

North Korea fired two short-range missiles today on its east coast, escalating tensions already running high on the Korean Peninsula after its second nuclear test a day earlier, a South Korean official said. One was a surface-to-air missile, the other an anti-ship missile. (Yonhap, "North Korea Launches Missiles amid Tension over Nuclear Test," May 26, 2009)

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South Korea's decision to fully participate in the Proliferation Security Initiative (PSI) highlights its own resolve to stand its ground against North Korea's continued provocations and play a bigger role in global security. It also represents a major policy U-turn, prompted by North Korea's April 5 rocket launch and nuclear test on Monday, from several years of maintaining a tepid stance toward the U.S.-led campaign to interdict suspected cross-border proliferation activity. "(Participation in the PSI) is a natural obligation for a mature country," Foreign Minister Yu Myung-hwan told a parliamentary meeting to discuss the impact of the latest nuclear test. "It will help control North Korea's development of dangerous material." The current Lee government faced a similar dilemma. It had planned to declare participation in the PSI shortly after the North's rocket launch in April, but calls for a more cautious approach grew as the Kaesong industrial zone appeared to be in peril. A South Korean worker there continues to be detained by North Korea on allegations he criticized its political system and urged a North Korean woman to defect. Amid such developments, Seoul delayed a formal announcement on the PSI several times. The North's nuclear test put an end to the dilemma. "As North Korea has conducted a more powerful nuclear test than the previous one and fired missiles, there is no reason to waste time any longer," said Lee Dong-kwan, presidential office spokesman. (Lee Chi-dong, "S. Korea Plays PSI Card to Counter N. Korea's Brinkmanship," Yonhap, May 26, 2009)

Japan has decided to impose an outright ban on exports to North Korea as part of its efforts to toughen sanctions on Pyongyang following Monday's nuclear test by the country, government sources said. But the proposed ban is expected to have only a limited impact on the reclusive nation, as the total value of exports is relatively small. (Kyodo, "Japan to Impose Outright Exports Ban on N. Korea Following Nuke Test," May 26, 2009)

China said today it hoped the UN Security Council's actions should be conducive to peaceful resolution of the Korean Peninsula nuclear issue. After closed-door consultations of the Council, the Rotating President of the Council for May, Vitaly Churkin, made a statement about Monday's nuclear test by the DPRK, voicing strong opposition to and condemnation of the test. "We called on all parties concerned to seek calm and proper response, and to pursue peaceful resolution of the issue through consultation and dialogue," Foreign Ministry spokesman Ma Zhaoxu told a regular press briefing. "We think the relevant actions of the Security Council should be conducive to achieving the non-nuclearization of the Korean Peninsula," Ma said. "China would continue its unremitting efforts to this end with all parties concerned," he reiterated. Ma also said China advocated that all relevant parties should uphold the goal of denuclearization on the Korean Peninsula, under any circumstances, to maintain the peace and stability of northeast Asia. "China strongly demands that the DPRK live up to its commitment to non-nuclearization of the Korean Peninsula, stop any activity that might worsen the situation and return to the track of the six-party talks," Ma stressed. (Xinhua, "China Says UN Actions Should Work for Peace on the Korean Peninsula," March 26, 2009)

"This is the first time we've had no advance information from the U.S. military regarding North Korea's missile or nuclear [programs]," a dismayed senior Self-Defense Forces

official said following a meeting at the Defense Ministry yesterday afternoon. Senior officials of the three arms of the SDF were summoned to the defense minister's office on the 11th floor of Building A of the ministry at 1:40 p.m., about four hours after North Korea's nuclear test. "I reported the scale and other details of the nuclear test to Defense Minister Yasukazu Hamada, but [the information] had barely any substance," the senior official said. Japan relies on the United States and South Korea for information on North Korea, with the SDF exchanging information separately with South Korean and U.S. military chiefs several times a year. However, because Japan and South Korea have no formal security alliance, Seoul is not obliged to provide Tokyo with important information on Pyongyang's activities. Instead, Japan has to date obtained its information via the United States. South Korea, which has a security alliance with the United States, passes on information regarding the reclusive state to Washington, which informs Tokyo in turn. Information had flowed along a South Korea-United States-Japan route. On this occasion, North Korea is believed to have informed the United States and China in advance that it was to conduct a nuclear test. But the senior SDF official believes Japan may have been passed over in the flow of information regarding earlier signs of North Korea's latest test. "It's believed South Korea picked up signs of a nuclear test several days before it was conducted," the official said. "I can't seriously believe South Korea wouldn't have informed the U.S. military of this activity. It's possible Japan was left out of the South Korea-United States-Japan route." However, another senior SDF official felt the United States might have known of the test in advance and did not pass on that information to Japan. "The U.S. military has various information-gathering methods and I can't believe they couldn't obtain information before [the test]," the official said. This situation, in which Washington may have failed to provide information to Tokyo, could be said to have exposed the parlous nature of the U.S.-Japan alliance. (*Yomiuri Shimbun*, "North Korea's Nuclear Threat: U.S. 'Didn't Give Japan Advanced N-Test Intel,'" May 27, 2009)

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North Korea test-fired three more short-range missiles on May 26. It threatened to launch military strikes against South Korea if any of its ships were stopped or searched as part of an American-led operation to intercept vessels suspected of carrying weapons of mass destruction. The North Koreans also said in the statement that they "no longer feel bound by the armistice" that ended the fighting in the 1950-53 Korean War. Technically, the two Koreas have remained at war for more than 50 years, because the 1953 armistice never gave way to a final peace treaty. North Korea has previously called the armistice a "useless piece of paper." The North's strident rhetoric is not unusual in statements released to the outside world, but the latest broadsides are likely to worsen tensions created by Monday's nuclear test. The UN Security Council is in the process of crafting a response, which may include additional economic sanctions; the North has said it would consider such sanctions a declaration of war. "If North Korea stages a provocation, we will respond resolutely," the South Korean military said in a statement, reacting to the North's threats. Citing a "strong" military alliance with the United States, it said, "We advise our people to trust our military's solid readiness and feel safe." *Chosun Ilbo* reported that American spy satellites had detected plumes of steam and other signs of activity at a North Korean plant that reprocesses spent nuclear fuel to make weapons-grade plutonium. (Choe Sang-hun, "A Defiant North Korea Test-Fires 3 More Missiles," *New York Times*, May 27, 2009, p. A-8)

Committee for the Peaceful Reunification of Korea statement: "The so-called **PSI is a mechanism for a war of aggression built by the U.S. against the DPRK** under the pretext of intercepting and blockading ships and planes, etc. suspicious of transporting weapons of mass destruction including nuclear weapons and missiles. ... Full participation in the PSI by a side on the Korean Peninsula where the state of military confrontation is growing acute and there is constant danger of military conflict itself means igniting a war. The DPRK, therefore, has already seriously warned the south Korean authorities against the above-said moves and repeatedly clarified its stand that it would strongly counter those moves of the Lee group, in particular, regarding them as a declaration of a war as it is pursuant to its American master's policy. Nevertheless, the Lee group undisguisedly took a step of fully participating in the PSI, which former regimes dared not do so, bringing the situation on the Korean Peninsula and inter-Korean relations beyond the uncontrollable danger line of a war. It is preposterous for the Lee group to have opted to fully participate in the PSI under the pretext of the underground nuclear test of the DPRK for self-defense. It is nothing strange and quite natural for a nuclear weapons state to conduct a nuclear test.... Now that the south Korean puppets were so ridiculous as to join in the said racket and dare declare a war against compatriots through their full participation in the PSI, the DPRK is compelled to take a decisive measure, as it has already warned. The DPRK solemnly declares as follows in view of the prevailing situation: First, **the DPRK will deal a decisive and merciless retaliatory blow, no matter from which place, at any attempt to stop, check and inspect its vessels, regarding it as a violation of its inviolable sovereignty and territory and a grave provocation to it.** Second, **the DPRK will take such a practical counter-action as in the wartime now that the south Korean authorities declared a war** in wanton violation of its dignity and sovereignty by fully participating in the PSI. (KCNA, "CPRK Regards S. Korea's Full Participation in PSI as Declaration of War against DPRK," May 27, 2009)

The Panmunjom Mission of the Korean People's Army statement: "The present rulers of the U.S. including Obama egged the south Korean puppets on to participate in the PSI, asserting that it is necessary to turn the PSI into a "lasting international regime," the statement noted, and continued: **This is a wanton violation and clear negation of not only international law but the Korean Armistice Agreement which bans "any form of blockade" against the other belligerent party.** The Lee group has unhesitatingly taken the step of "fully participating" in the PSI, blindly yielding to its master as it is steeped in sycophancy and submission to the marrow of its bones. In view of this situation the Panmunjom Mission of the KPA clarifies the following principled stand of the revolutionary armed forces of the DPRK: 1. Our revolutionary armed forces, as they have already declared, will regard the Lee Myung Bak group of traitors' 'full participation' in the PSI **as a declaration of war against the DPRK.** Accordingly, they will regard **any hostile actions against the DPRK, including checkup and inspection of its peaceful vessels, as an unpardonable encroachment on the DPRK's sovereignty and counter them with prompt and strong military strikes.** 2. **The Korean People's Army will not be bound to the Armistice Agreement any longer** since the present ruling quarters of the United States, keen on the moves to stifle the DPRK, plugged the south Korean puppets into the PSI at last, denying not only international law but the AA itself and discarding even its responsibility as a signatory to

the agreement. In case the AA loses its binding force, the Korean Peninsula is bound to immediately return to a state of war from a legal point of view and so our revolutionary armed forces will go over to corresponding military actions. 3. For the present, **we will not guarantee the legal status of the five islands under the south side's control (Paekryong, Taechong, Sochong, Yonphyong and U islands) in our side's territorial waters northwest of the extension of the Military Demarcation Line in the West Sea of Korea** and safe sailing of warships of the U.S. imperialist aggression forces and the south Korean puppet navy and civilian ships operating in the waters around there. ...They should bear in mind that the DPRK has tremendous military muscle and its own method of strike **able to conquer any targets in its vicinity at one stroke or hit the U.S. on the raw, if necessary.**" (KCNA, "KPA Panmunjom Mission Clarifies Revolutionary Armed Forces' Principled Stand," May 27, 2009)

Japan began examining a total ban on exports to North Korea in what would be an escalation of Japanese sanctions on the country in response to its nuclear test, sources said. The final decision will be made after observing how discussions develop at the U.N. Security Council regarding sanctions on North Korea, they said. Currently, the government bans the import of goods from North Korea while prohibiting exports to the country of luxury articles and items linked to weapons of mass destruction. According to Finance Ministry trade data, Japan exported goods worth about 800 million yen to North Korea last year. Therefore, some observers insist banning all exports to North Korea would have a limited effect on the country. Meanwhile, the LDP's special committee on the issue of Japanese abducted by North Korea headed by Furuya Keiji decided to urge the government to take the following steps as additional sanctions on the country: ban all exports to North Korea; prohibit foreign crew members who have violated the sanctions from entering the country and refuse reentry to foreign residents of Japan who have violated the embargo travel to North Korea; thoroughly review fixed-asset tax breaks for the General Association of Korean Residents (Chongryon) and its related entities. (*Yomuri Shimbun*, "Government Eyes Ban on All Exports to DPRK," May 28, 2009) A Japanese ruling party panel is to propose that pre-emptive strikes against enemy bases be allowed despite the country's pacifist constitution, Kyodo reported. "Japan should have the ability to strike enemy bases within the scope of its defense-oriented policy, in order not to sit and wait for death," Kyodo quoted the Liberal Democratic Party committee as saying in its proposal. (Reuters, "Japanese Panel Wants 'First-Strike' against Enemies," May 26, 2009)

South Korea will host the ASEAN-Korea Commemorative Summit from June 1-2 on its southern resort island of Jeju. "During the summit meetings, our military will escalate its alert and mobilize additional intelligence assets," Lieutenant General Jang Kwang-il, a Joint Chiefs of Staff official, told reporters. (Sam Kim, "Monitoring of N. Korea to Be Bolstered during ASEAN Summit: Official," Yonhap, May 27, 2009)

Chief Cabinet Secretary Kawamura Takeo said the government plans to hold phone conferences with the Chinese and Russian leaders. He said he had not received word of whether Japan would draft a U.N. resolution but refused to rule out the possibility. "I have not received a clear report on whether Japan will draft the resolution or not," Kawamura said. "But considering that we asked for a Security Council (meeting), I

believe that Japan is fully capable of playing a central role in the discussions." The government's top spokesman added that Japan would focus on crafting an effective resolution, rather than becoming preoccupied with slapping additional sanctions on the North. **"Discussions must be made on how to make the resolution effective** because the fact is North Korea did not follow the presidential statement nor the statement issued by the six-party talks," he said. "Also, what needs to be discussed is the future of North Korea and how it is going to step into the international community." Foreign Minister Hirofumi Nakasone reiterated that there "needs to be a strong resolution this time," referring to the nonbinding statement the Security Council settled on after Pyongyang's missile launch in April. (Ito Masami and Hongo Jun, "Japan Scrambles for Right Response," *Japan Times*, May 27, 2009)

*Asahi Shimbun*: "But no matter how grave a threat North Korea has become to the world, it is the solid consensus among the United States, China, Japan and all other nations concerned that it is not realistic to try to resolve the problem by military force. Since this is the case, the international community needs to act with collective wisdom and patience. This means keeping up every effort, through diplomacy, to induce a fundamental policy change on North Korea's part. But what exactly was Pyongyang's purpose in going ahead with its second nuclear test on this occasion? One purpose, we presume, was to beef up its nuclear technology and show off the results to the world in hopes of enhancing the nation's status as a fully fledged nuclear-armed power. And to finally end the Korean War and start normalizing relations with the United States, it has been North Korea's strategy for years to bring the United States to the negotiating table for nuclear talks." (*Asahi Shimbun*, "Pyongyang's Nuclear Test," May 27, 2009)

5/28/09

The armed forces of South Korea and the U.S. raised their surveillance over North Korea to the second highest level. "Watchcon II took effect as of 7:15 a.m.," South Korean defense spokesman Won Tae-jae said in a briefing, adding the five-stage combat alert level, "Defcon," remains locked at four. "Additional intelligence assets, including personnel, will be deployed while reconnaissance operations over North Korea will increase," Won said. He declined to give specific details. The elevation of the surveillance marks the fifth time South Korea and the U.S. have upgraded Watchcon to the second highest level, he said. The previous elevation lasted two weeks after the North's first nuclear test in 2006, Won said. Watchcon II also took effect in 1999 when the two Koreas clashed in a naval battle near their Yellow Sea border. (Sam Kim, "S. Korea, U.S. Step up Surveillance over N. Korea: Official," *Yonhap*, May 28, 2009)

Secretary of State Hillary Rodham Clinton denounced North Korea's "provocative and belligerent" threats. "North Korea has made a choice" to violate U.N. Security Council resolutions, ignore international warnings and abrogate commitments made during six-nation nuclear disarmament talks, Clinton said. "There are consequences to such actions," she said, referring to discussions in the United Nations to punish North Korea for its nuclear and missile tests. Clinton did not provide specifics, saying only that the intent of diplomats was to "try to rein in the North Koreans" and get them to fulfill commitments made in the nuclear talks. (Foster Klug, "Clinton Warns N. Korea against Belligerent Actions," *Associated Press*, May 28, 2009)

State Department spokesman Ian Kelly said the United States and other members of the UN Security Council were mulling "possible sanctions" against Pyongyang, in the first such on the record comment from a US official. White House spokesman Robert Gibbs added that Beijing, considered a key player in the showdown with Pyongyang due to its supposed leverage over its reclusive ally, was being "very helpful" in efforts to censure the North. At the United Nations, ambassadors of the five permanent members of the UN Security Council plus South Korea and Japan discussed how to censure the North for its nuclear test, but apparently without making any breakthrough. "This is quite a complicated discussion," Britain's UN Ambassador John Sawers told reporters after the meeting. "We're looking forward to continuing our work. We need some time." Russia's UN ambassador, the council chair this month, said the group needed some time to reflect on specific elements of the resolution. A meeting by the full 15-member Security Council on the draft was not expected until next week. **The text of the resolution, being drafted by Japan and the United States, leaves out details of a key paragraph on possible, additional sanctions that would be slapped on Pyongyang.** A Western diplomat earlier said proposals included extending the list of entities targeted for travel bans or financial sanctions, a broader arms embargo, tougher inspections of cargo, a freeze on North Korean assets abroad and denial of access to international banking and financial services. US Secretary of State Hillary Clinton had earlier stressed Washington's resolve to defend Japan and South Korea amid what the White House called North Korean "saber-rattling and bluster." (AFP, "S. Korea, U.S. Troops Raise Alert after N. Korean Threat," May 29, 2009) According to the sources, the draft includes five proposals made by the United States: imposing a total arms embargo on North Korea; making cargo inspections of North Korean vessels mandatory; making respective countries report results of cargo inspections; prohibiting banking transactions with North Korea; imposing a ban on making loans or granting aid to the country, except for humanitarian reasons. In addition, it also includes measures proposed by Japan and France such as the designation of North Korean organizations and individuals who should have their assets frozen or be banned from traveling outside the reclusive state. Meanwhile, taking into account the viewpoints of China and Russia, both of which hope to leave room for dialogue with North Korea, the draft also includes a provision stipulating that the sanctions can be suspended should Pyongyang satisfy certain conditions, the sources said. The conditions include a pledge by North Korea that it will not conduct another nuclear test, that it will accept inspectors from the International Atomic Energy Agency and that it will return to the six-party talks on the country's nuclear weapons programs and the Nuclear Nonproliferation Treaty regime, according to the sources. (*Yomiuri Shimbun*, "Japan, U.S. Compile Draft U.N. resolution on DPRK," May 29, 2009) The administration is also seeking China's cooperation in a global effort to disrupt the flow of money to KimJong-il and his family, officials said. Some of that money is suspected to be held in Chinese-owned banks, making such an effort diplomatically sensitive. Still, a senior official said he was "pleasantly surprised" by how open China was to cooperating with the United States. China has historically tolerated the erratic behavior of Mr. Kim, worrying more about a calamitous collapse of his government than about his nuclear ambitions. But the recent test and missile launchings, the official said, may have crossed a line with China's leaders. "At the level of Chinese irritation, this is historic," said the official, who spoke on condition of anonymity because he was not authorized to speak publicly. "Normally, the Chinese

urge us not to react. But they are reaching a point where they could be agreeable to using more of their own weight." The Chinese, officials said, have taken note of South Korea's decision this week to join an American-led security campaign to stop the spread of nuclear material, as well as the harsh words about North Korea from some parts of Japan's political establishment. The United States is to discuss efforts to intercept ships coming from North Korea with officials from South Korea and Japan at a regional security conference this weekend in Singapore, where the defense secretary, Robert Gates, will meet with his Japanese and South Korean counterparts. The deputy secretary of state, James B. Steinberg, will attend those meetings, and will then travel to Tokyo for further meetings with Japanese officials, according to the State Department. Mr. Steinberg may also be involved in negotiations with the Chinese, a senior official said. At home, the United States continued to rally support for a UN resolution. While the major powers uniformly condemned North Korea's test, there was some confusion Thursday about whether Russia was balking at additional sanctions. A spokesman for the Foreign Ministry, Andrei Nesterenko, told reporters in Moscow, "We do not need to use the language of sanctions." Still, American and Japanese officials said they did not believe that Russia had retreated from its tough initial response. (Mark Landler and David E. Sanger, "U.S. Presses China for Tough Response to North Korea," *New York Times*, May 29, 2009, p. A-8)

Japan has been urging the United States to put North Korea back on its blacklist of state sponsors of terrorism following Pyongyang's nuclear test by Pyongyang. At a House of Councillors Budget Committee, responding to a request by LDP lawmaker Yamamoto Ichita that Japan pressure the United States to return North Korea to the list, Prime Minister Aso Taro said, "Things are moving in line with what you hope for, although I cannot tell you what I talked about [with U.S. President Barack Obama] on the phone." Yesterday evening, Aso told reporters, "I assume that the second nuclear test [by North Korea] may have been a greater shock to the United States than we could imagine," and expressed hopes that Washington will take a resolute stance against Pyongyang. (Kyodo, "Aso Hints Japan Urging U.S. to Get N. Korea Back on Terrorism Blacklist," May 28, 2009)

Pyongyang's second nuclear test has reignited a controversy over the issue of "nuclear sovereignty" -- the right to process nuclear material as desired. Those in support of the idea that South Korea should have nuclear sovereignty have two reasons -- to increase self-defense against the North, and for a stable supply of power as South Korea depends on atomic power for much of its energy. U.S. president Barack Obama told President Lee Myung-bak in a telephone conversation on May 26 that he wished to make it clear to South Koreans that "U.S. military strength and nuclear umbrella were expansive enough to protect South Korea," according to the presidential office in Seoul. It was agreed at the annual Korea-U.S. Security Consultative Meeting in 2006 to use the term "extended deterrence" instead of the political jargon "nuclear umbrella," mainly because the latter term can be perceived as more provocative. Senior legislators here stressed it was time to proactively seek discussions with Washington for substantial offering of "extended deterrence," which refers to a guarantee by a nuclear weapons state to defend a non-nuclear allied state. "South Korea has been limited (by a 1992 inter-Korean agreement on denuclearization) even in peaceful nuclear activities or uses



of atomic energy that are widely recognized by the international community," said Rep. Chung Ok-nim of the ruling Grand National Party, a member of the parliamentary committee of foreign affairs, trade and unification. "Our hands are tied because of North Korea and we can't prevent their nuclear tests, so we need candid dialogue with Washington." The 1992 Korea Denuclearization Agreement signed between the two Koreas states that, "the South and the North shall not possess nuclear reprocessing and uranium enrichment facilities." "The idea of nuclear sovereignty would stir an arms race in Northeast Asia," said Rep. Hong Jung-wook of the GNP, another member of the parliamentary committee on foreign affairs, trade and unification. "We need to refrain from an emotional approach on North Korea's provocations, react calmly and make thorough preparations." (Kim So-hyun, "N.K. Test Reignites Nuclear Sovereignty Debate," *Korea Herald*, May 29, 2009)

Within hours of the suicide of Roh Moo-hyun, president of South Korea until last year, tens of thousands of distraught Koreans had built makeshift memorials. Instead of incense, some placed before his picture lit cigarettes, a reference to the fact that Roh, a heavy smoker, had requested one shortly before his death. South Korea has been swept by a sense of grief and self-doubt that cannot be muffled even by the nuclear fireworks raining down from its bad-boy neighbor to the north. Roh, only the fourth elected president since the end of military rule in 1987, was under investigation for corruption. His wife and son had allegedly accepted \$6m (€4.3m, £3.8m) from the boss of a shoe company, although Roh said he knew nothing of the transactions while he was president. The revelations proved too much for the former human rights lawyer who had styled himself as Mr. Clean, an antidote to politics-as-usual. In a blog shortly before his death, he urged his supporters to abandon him: "I have lost the right to say anything about democracy, progress and justice." In his suicide note, he added: "Don't be sorry. Don't blame anyone." But Koreans are blaming themselves. Roh's death has triggered national soul-searching in blogs and chat rooms around this wired-up country. The tragedy has thrown into relief two tawdry facets of a democracy still struggling to erase the experience of authoritarian rule. The first is that Korean politics, although boisterous and free, remain a grubby affair. Politicians are uncomfortably close to business, troubling in a country where *chaebol* industrial conglomerates have tentacles in every crevice. Things have got better. But of Roh's four predecessors, two were jailed for corruption and the sons of two others locked up on similar counts. If their leaders and businessmen are prone to corruption, Koreans also worry about how such wrongdoings come to light. In Mexico the long-dominant Institutional Revolutionary party (PRI) had a tradition by which the incoming president protected his predecessor from prosecution. South Korea has the opposite system. Each new president has sought to cement his power base by setting the judicial hound dogs on to his forerunner. (David Pilling, "Fear and Self-Loathing in South Korea," *Financial Times*, May 28, 2009, p. 11)

5/29/09

Amid heightened border tensions and elevated surveillance over North Korea, inter-Korean overland and sea traffic continued as usual, said Unification Ministry spokeswoman Lee Jong-joo. "North Korea, while continuing to denounce the full participation in the PSI, is observing routine procedures according to the maritime agreement," Lee said, referring to the 2005 pact in which the two Koreas opened their sea routes to cut travel time and fuel costs. North Korea said on May 27 it would no

longer guarantee the safety of civilian ships and South Korean and U.S. naval vessels operating along the western sea border, a possible warning of military action. The threat came in response to South Korea's participation in the Proliferation Security Initiative, a U.S.-led campaign aimed at interdicting ships and planes carrying weapons of mass destruction. Two North Korean civilian boats were passing through South Korean waters, and fax communications between the maritime authorities of the Koreas proceeded as usual, Lee said. About 10 Chinese-registered ships carrying South Korean fisheries imports sailed without incident in North Korean waters, the official said. No South Korean ships, however, were currently north of the border as they make trips only on a weekly basis due to a decrease of humanitarian aid shipments, she said. Over the land border, more than 340 South Korean workers traveled to a joint industrial complex in the North's border town of Kaesong, the last bastion of inter-Korean economic cooperation. The joint venture, just an hour's drive from Seoul, hosts more than 100 South Korean firms producing clothes, kitchenware, electronic equipment and other labor-intensive goods, employing over 40,000 North Korean workers. (Kim Hyun, "Inter-Korean Border Traffic Remains Normal Despite N. K. Warning," Yonhap, May 29, 2009)

DPRK FoMin spokesman: "Over the past several decades, the DPRK has made every possible effort for the denuclearization of the Korean Peninsula, but the U.S., instead of seeking a substantial removal of nuclear threats, has steadily increased the level of pressure upon the DPRK and it has eventually brought even the six-party talks to collapse in wanton violation of the principles of respect for the sovereignty and sovereign equality, the underlying spirits of the September 19 Joint Statement, over the DPRK's launch of satellite, the universally recognized right of each state, the statement noted, and said: At present, some countries were shocked at the news of the DPRK's second nuclear test. But an exceptional act has its exceptional reason. The recent nuclear test conducted by the DPRK is the 2054th one on the earth. The five permanent members of the UNSC have conducted 99.99 percent of all the nuclear tests. Those countries have posed the biggest nuclear threats to the world. But they took issue with our first nuclear test, which was conducted in October 2006 as a self-defensive measure to cope with increased nuclear threats by the U.S., terming it a 'threat to the international peace' and adopted the sanctions resolution against the DPRK. This is exactly the UNSC Resolution 1718. This resolution fabricated by the hypocrites has immediately invited a total rejection by the DPRK and we still do not recognize such resolution. The UNSC with such a record produced the 'presidential statement' on April 14 putting in question only the satellite launched by the DPRK for the peaceful purpose and put into force the sanctions under its Resolution 1718 on April 24 only to cause an unbearable insult to the dignity of our people and gravely infringe upon the sovereignty of the DPRK. The DPRK is neither a signatory to the Nuclear Non-proliferation Treaty nor to the Missile Technology Control Regime or MTCR. Such being the case, it has a right to conduct as many nuclear tests or missile launches as it wants in the event that the supreme interests of the state are infringed upon. Such self-defensive measures do not run counter to any other international law. The UNSC has committed such unprecedented crime as the wanton infringement upon the right of a sovereign state to explore outer space for peaceful purposes and, instead of repenting of it, it is proactive in its outcry to cover up its crime. Under these circumstances, the DPRK, at this point, would like to draw a clear line of confrontation which will help clearly state who is to

blame for the future unpredictable development of the situation. First, the UNSC is involved in its high-handed act which will never be tolerated and it is the part of the self-defensive measures of the DPRK to respond to this with its own nuclear test which we had already made public to the world. There is a limit to our patience. ...Second, we solemnly demanded that the UNSC make an apology for its crime of having seriously encroached upon the sovereignty of a sovereign state in gross violation of the Space Treaty and that it withdraw all its previously-crafted, unfair resolutions and decisions. Such a demand still remains in force. As long as the Permanent Five alone invested with veto power and nuclear weapons have the mandate to identify what constitutes a 'threat to international peace and security,' the UNSC is not supposed to bring their own acts of intimidation into question indefinitely. As long as the UNSC fails to respond to the DPRK's just demand, the DPRK will not recognize any resolution and decision of the UNSC in the future, too. Third, **if the UNSC will make further provocative actions, this will inevitably lead to the DPRK's approach towards adopting stronger self-defensive counter-measures.** ... The UNSC-crafted UN Command itself is a signatory to the Korean Armistice Agreement. **Any hostile act by the UNSC immediately means the abrogation of the Armistice Agreement.** The world will soon find out how the army and people of the DPRK will stand up against the high-handed and get-it-alone approach of the UNSC in defending its dignity and sovereignty. The U.S. is keen on using a catchphrase 'carrot and stick.' It would be better for the 'Donkey' of the U.S. Democratic Party to lick the carrot." (KCNA, "DPRK Foreign Ministry Spokesman Clarifies Its Stand on UNSC's Increasing Threat," May 29, 2009)

**Q:** Can North Korea be placed back on the terrorist list without a specific triggering action? Describe the process for relisting? **A:** **"In order to be designated as a state sponsor of terrorism, the Secretary of State must determine that the government of North Korea has repeatedly provided support for acts of international terrorism. The United States will follow the provisions of the law as the facts warrant."** (DoS Spokesman Ian Kelly, Taken Question, May 29, 2009)

North Korea has launched a short-range missile from its Musudan-ri rocket launch site on the country's east coast, a South Korean government official said yesterday. "What the North has launched this time appears to be different from what it had launched (previously)," the official said. "It is a new type of a land-to-air missile," the official said. North Korea launched the missile, with an estimated range of 160 km, into the East Sea at around 6:12 p.m., according to the official. Defense sources here said Chinese fishing vessels appeared to be rapidly withdrawing from the West Sea where there are fears of a possible clash between South and North Korean naval forces following Pyongyang's threats of a military clash. "Chinese fishing ships operating near the Northern Limit Line began withdrawing [to]day," the source said. More than 280 Chinese vessels were fishing near the NLL for crab earlier this week but the number has reduced to about 140, according to the Defense Ministry. "Our speculation is that China fears possible clashes and voluntarily cleared out the area, or it could also be because of the fishing ban period that starts on June 1," said one ministry official. He said the ministry is investigating whether North Korea requested the Chinese ships to withdraw to possibly prepare for a naval strike. (Kim Ji-hyun, "N.K. Fires New Type of Missile off East Coast," Yonhap, May 30, 2009)

5/30/09

North Korea appears to be preparing to test-fire a long-range ballistic missile, a South Korean government source said. "We believe that the object is certainly an ICBM," said the official, adding that its size is somewhat similar to the one the North fired into the Pacific on April 5. North Korea is believed to have started moving the object to a missile launch pad in Musudan-ri on the country's east coast, according to the official. "The missile may be a modified version of a Taepodong-2 missile, which can travel over 4,000 kms," the official said. A Taepodong-2 missile is theoretically capable of reaching the western U.S. "It usually takes about two months to set up a launch pad, but the process could be done in as little as two weeks, which means the North could launch a long-range missile as early as mid-June," the source said. (Yonhap, "N. Korea Believed to Be Preparing for ICBM Launch: Sources," May 30, 2009) A source familiar with the issue said yesterday, "U.S. intelligence officials have spotted activity at Sanumdong, a research-and-development complex nearby Pyongyang. North Korea seems to be ready to produce a new ICBM and move them via train." According to Fox News, a U.S. intelligence official said support activity, including the movement of certain vehicles and personnel, has been spotted at Sanumdong. The official said the key North Korean military facility has senior U.S. officials "kind of worried," and that the activity is consistent with that observed prior to the past launch of the Taepodong-2 missile. North Korea has developed and produced parts and bodies of long-range missiles at Sanumdong. It manufactured the body and other parts of the long-range rocket launched April 5 at the complex, moved them to Musudan-ri in North Hamkyong Province via train, reassembled the parts, and fired the rocket from the launch site in Musudan-ri. (*Dong-A Ilbo*, "North Korea Preparing to Fire ICBM," May 30, 2009)

U.S. Defense Secretary Robert Gates warned at the three-day Shangri-La Dialogue, "We will not stand idly by as North Korea builds the capability to reap destruction on any target in the region or on us." Gates said, "At the end of the day the choice to continue as a destitute international pariah or chart a new course is North Korea's alone to make. The world is waiting." Gates also said the United States will not accept North Korea as a nuclear weapons state. Lt. Gen. Ma Xiaotian, deputy chief of China's general staff, acknowledged the concerns of "certain countries in the international community, especially Japan and South Korea" about North Korea's recent actions and added, "We understand your concerns and your worries." But he also expressed a hope that "all parties concerned will be coolheaded and take measured measures to address the problem." China, Ma said, has expressed its firm opposition to North Korea's second underground nuclear test. In response to a question from the audience on whether Japan's insecurities over North Korea's provocations might prompt Japan to pursue nuclear capability, Gates said, "I think that the likelihood of that at this point is remote." At the same time, he expressed concern about the risk of North Korea's recent actions "creating instability in the region and provoking its neighbors into taking defensive actions." "I think if they continue on the path they are on ... I think it poses the potential for some kind of arms race in this region." (Kyodo, "Gates Says U.S. Won't Stand Idly by As N. Korea Boosts Might," May 30, 2009) "The transfer of nuclear weapons or material by North Korea to states or non-state entities would be considered a grave threat to the United States and its allies," Gates said in a speech at a security conference in Singapore. "And we would hold North Korea fully accountable for the consequences of such action." Gates, in his address, said Obama was receptive to dialogue with North

Korea and had pledged to work with “tyrannies that unclench their fists.” But Gates said Pyongyang's response to U.S. overtures was disappointing. “The United States and our allies are open to dialogue, but we will not bend to pressure or provocation,” he said. “And on this count, North Korea's latest reply to our overtures isn't exactly something we would characterize as helpful or constructive.” (Julian Barnes, “Gates Draws the Line on North Korea’s Nuclear Program: No Proliferation,” *Los Angeles Times*, May 30, 2009) Gates raised “the notion that we should think about this as we are pursuing the six-party talks,” said a senior defense official who asked for anonymity because he was not authorized to speak publicly on the issue. “We ought to think about what more we need to do should they not prove successful.” But another defense official cautioned that talk of any military buildup was premature and that it was merely a “prudent option” in terms of “what should we be thinking about in the event that we need to start enhancing our posture, our defenses?” On May 29 Gates said that the United States had no plans to reinforce some 28,000 American troops based in South Korea. James Steinberg, the deputy secretary of State, attended a number of meetings, as did Dennis C. Blair, the director of national intelligence. There was widespread acknowledgement that sanctions against North Korea had to be strengthened because of its nuclear test on Monday and subsequent firings of short-range missiles. There was also general agreement that the long-running six-nation talks aimed at getting North Korea to give up its nuclear program had so far failed. But by Sunday morning, Asian defense officials had not endorsed a specific course of action. “There’s no prescription yet on what to do,” said one of the senior American defense officials. Late in the day, Gates had a meeting focused on North Korea with the defense ministers of South Korea and Japan, a precursor to more detailed discussions to occur next week about North Korea’s nuclear test. Mr. Steinberg is to lead the American team at those meetings; the group will include Stuart Levey, the Treasury under secretary for terrorism and financial intelligence, an indication that economic measures will be a significant part of the discussions. (Elizabeth Bumiller, “Gates Warns North Korea of Buildup,” *New York Times*, May 30, 2009, p. 8) An inter-agency team of ranking U.S. officials, on a rare tour of Northeast Asia, may ask China and other related nations to step up cooperation on imposing financial curbs on North Korea for its second nuclear test last week, officials here said June 1. The delegation, led by Deputy Secretary of State James Steinberg, includes Treasury Undersecretary Stuart Levey, who is in charge of fighting terrorism-related funds. Other members are Stephen Bosworth, special representative for North Korea policy, Wallace Gregson, assistant secretary of defense for Asian Pacific affairs, and Jeffrey Bader, senior director for Asian Affairs at the National Security Council (NSC). They are scheduled to arrive in Seoul the night of June 2 from Japan before traveling to China and Russia. “(The delegation) will have inclusive and comprehensive discussions on how to respond to North Korea's nuclear test in various sectors including financial control,” a senior South Korean government official said in a background briefing for reporters. He asked not to be named. On whether the U.S. demanded South Korea's support in putting financial pressure on Pyongyang, the official said, “It is a matter related more to involved parties than us.” He refused to name the parties, only saying, “You will be able to guess.” (Lee Chi-dong, “U.S. Team to Seek Cooperation in Financial Pressure on N. Korea,” *Yonhap*, June 1, 2009)

WikiLeaks cable: Thursday, 04 June 2009, 09:08  
S E C R E T SINGAPORE 000529  
**EO 12958** DECL: 06/04/2029  
**TAGS** OVIP (STEINBERG, JAMES B.), PREL, MNUC, ECON, SN, CH, KN  
**SUBJECT: DEPUTY SECRETARY STEINBERG'S MAY 30, 2009**  
CONVERSATION WITH SINGAPORE MINISTER MENTOR LEE KUAN YEW  
Classified By: Charge d'Affaires Daniel L. Shields. Reason 1.4 (b) and (d).

### **Summary**

**Korea to have nuclear weapons or to collapse, but would prefer the former.** He doesn't believe Pyongyang will give up nuclear weapons as a form of defence and describes North Koreans as "psychopathic", but holds out hope for change under a new leader. Key passage highlighted in yellow.

1. (SBU) May 30, 2009; 6:30 p.m.; The Presidential Palace; Singapore.
2. (SBU) Participants: United States The Deputy Secretary Glyn T. Davies, EAP Acting Assistant Secretary Daniel L. Shields, CDA (Notetaker) SINGAPORE Minister Mentor (MM) Lee Kuan Yew Chee Hong Tat, Principal Private Secretary to MM Cheryl Lee, Country Officer, Americas Directorate, MFA
3. (S) SUMMARY: Deputy Secretary Steinberg used his meeting with Minister Mentor Lee Kuan Yew to stress the importance of Chinese cooperation in addressing the North Korea nuclear issue and to elicit MM Lee's views on China and North Korea. MM Lee said the Chinese do not want North Korea to have nuclear weapons and do not want North Korea to collapse. If China has to choose, Beijing sees a North Korea with nuclear weapons as less bad than a North Korea that has collapsed. MM Lee asked Deputy Chief of the People's Liberation Army (PLA) General Staff Ma Xiaotian what China can do about North Korea. General Ma's answer was that "they can survive on their own." The Deputy Secretary noted that the DPRK could have a fair and attractive deal if it would change its approach. If not, North Korea faces a change of course by the United States, the ROK and Japan. MM Lee said he believes Japan may well "go nuclear." MM Lee also offered views on the Chinese economy, Taiwan, Chinese leaders, and U.S.-China relations. End Summary.

China and North Korea

4. (S) Deputy Secretary Steinberg met with Singapore Minister Mentor Lee Kuan Yew on May 30 on the margins of the Shangri-La Dialogue, the annual international security forum held in Singapore. The Deputy Secretary used the meeting with MM Lee to stress the importance of Chinese cooperation in addressing the North Korea nuclear issue and to elicit MM Lee's views on China and North Korea. MM Lee said the Chinese do not want North Korea to have nuclear weapons. At the same time, the Chinese do not want North Korea, which China sees as a buffer state, to collapse. The ROK would take over in the North and China would face a U.S. presence at its border. If China has to choose,

Beijing sees a North Korea with nuclear weapons as less bad for China than a North Korea that has collapsed, he stated.

5. (S) MM Lee said he asked Deputy Chief of the People's Liberation Army (PLA) General Staff Ma Xiaotian what China can do about North Korea. **General Ma's Delphic answer was that "they can survive on their own."** MM Lee said **he interpreted this as meaning that even if China cut off aid, the DPRK leadership would survive.** This is a leadership that has already taken actions like killing ROK Cabinet Members in Burma and shooting down a KAL flight. If they lose power, they will end up facing justice at The Hague, like Milosevic. They have been so isolated for so long that they have no friends, not even Russia. They have not trusted China since the Chinese began cultivating ties with the ROK, given China's interest in attracting foreign investment, he said. The Deputy Secretary noted that the DPRK could have a fair and attractive deal if it would change its approach. If not, North Korea faces a change of course by the United States, the ROK and Japan. MM Lee expressed worry about the effect on Iran if the DPRK persists. MM Lee said he believes the DPRK can be contained and will not proliferate, but Iran has very high ambitions, ties to Shiite communities outside Iran, and oil wealth.

6. (S) The Deputy Secretary noted that North Korea's decisions will have an impact in Japan. MM Lee said he believes Japan may well "go nuclear." The Chinese must have factored this into their calculations and concluded that the prospect of Japan with nuclear weapons is less bad than losing North Korea as a buffer state. The Chinese take a long-term view and must think that within a few years the DPRK's current leadership will be gone and there will be new leadership, with new thinking. But there will still be a North Korea, he said.

7. (S) MM Lee said he wishes the USG well in its efforts on North Korea, but he would be surprised if the North Koreans agree to give up nuclear weapons. They might give up a first-strike capacity, but they want nuclear weapons in case the USG decides to seek regime change. **They are psychopathic types, with a "flabby old chap" for a leader who prances around stadiums seeking adulation.** MM Lee noted that he had learned from living through three and a half years of Japanese occupation in Singapore that people will obey authorities who can deny them food, clothing and medicine.

8. (S) MM Lee said the ROK, after seeing what had happened with German unification, does not want immediate unification with the DPRK. There is "nothing there" in the DPRK, other than a military organization. Kim Jong-Il has already had a stroke. It is just a matter of time before he has another stroke. **The next leader may not have the gumption or the bile of his father or grandfather. He may not be prepared to see people die like flies. China is calculating all this. They have their best men on the job. They want to help the United States to advance common objectives. But they do not want the South to take over the North, MM Lee said. ...**

19. (U) The Deputy Secretary has cleared this message. SHIELDS

5/31/09

The South Korean government, engaged in a deepening political deadlock with Pyongyang, has spent only 1.8 percent of its yearly budget for economic aid to North

Korea during the first four months of 2009. According to Unification Ministry data, the government spent only 26.91 billion won (US\$21.48 million) out of its 1.5 trillion won inter-Korean cooperation fund during the January-April period. The government suspended its decade-long rice and fertilizer aid to the North after President Lee Myung-bak took office last year, taking a tougher stance on the North's nuclear program and withdrawing his liberal predecessors' unconditional aid policy. Seoul's aid budget for North Korea includes rice and fertilizer shipments worth 800 billion won, facility construction of cross-border railroads along the east coast, and loans for local businesses investing in North Korea, including more than 100 firms operating at a joint industrial park in the North's border town of Kaesong. **South Korea spent 674.4 billion won in government-level economic aid to North Korea in 2005 and 715.73 billion won in 2007. The budget execution dropped to 231.2 billion won last year.** (Yonhap, "S. Korea Refrains from Spending on North amid Political Limbo," May 31, 2009)

During a summit meeting on June 16 of the leaders of South Korea and the United States, there is "a high possibility" the U.S. will issue a written pledge of a nuclear umbrella over the South. According to a Blue House official. "It's possible [the nuclear umbrella] will be put in a document," the official. "The move is to project U.S. willingness to protect South Korea in light of the North Korean nuclear test and a series of missile launches." Another Blue House official said it hasn't been determined whether the nuclear protection would be mentioned in a joint statement or included in a document detailing visions for the future of the South Korea-U.S. alliance. "The significance of this move is that the nuclear umbrella would be discussed among leaders, rather than at the working level as it is now," the official said. "This would reaffirm the desire for a coordinated, multilateral response to the North Korean nuclear threat." (Yoo Jee-ho, "U.S. Considering Written Nuclear Umbrella Pledge," *JoongAng Ilbo*, June 1, 2009)

6/1/09

South Korea's National Intelligence Service told members of the National Assembly information and intelligence committee that North Korean leader Kim Jong-il appears to have chosen his third and youngest son, Jong-un, as his successor, informed legislators said. "I was told over the telephone yesterday that Jong-un has been tapped as successor," Song Young-gil of the main opposition Democratic Party and a member of the intelligence committee told Yonhap over the telephone. Park Jie-won, also of the Democratic Party, said in a radio interview that he was informed by a senior official of the National Intelligence Service that the North Korean elite now "make loyalty pledges to Kim Jong-un." The lawmakers said they received a phone call from the official, who could not be identified due to protocol, and that other committee members were also informed in the same way. Jong-un was born in 1984 to Kim's third wife, Ko Yong-hi, who died of breast cancer at age 51 in 2004. Jong-un is believed to have been educated at the International School of Berne and is said to be a fan of NBA star Michael Jordan. Since his return to Pyongyang in his late teens, the North has kept him under a shroud of secrecy, and very little is known about his character. (Kim Hyun, "Spy Agency Confirms N.K. Leader's Third Son as Successor: Lawmakers," Yonhap, June 2, 2009)

After years of incendiary threats and weapons tests, the world has become accustomed to provocations from North Korea. More unusual this time is that South Korea is pushing back. No one expects rapid U.N. action, however. "It is not a normal country, so we have



to act cautiously," Zhang Yesui, the Chinese ambassador to the United Nations, said in an interview on May 29. "It is a very closed place, so they act abnormally." It is not even clear that China has the influence to sway the North Korean government, he added. It is also unclear how far South Korea is willing to push the North, whose troops and artillery sit just 35 miles north of Seoul along the heavily fortified demilitarized zone. While Lee did gain office last year promising a tougher line, most South Koreans still abhor tensions with the North and are fundamentally in favor of reconciliation, said North Korea experts. "If North Korea actually tests South Korea's resolve, it will put South Korea in a very tough spot," said Kim Il-young, a North Korea specialist at Sungkyunkwan University. Indeed, South Korean officials have been careful to cast their new approach not as a drastic departure but as more a shift in tone. They say the South remains willing to offer economic aid to the North, but only if it responds with good-faith efforts to curtail its weapons programs. They also say that they are not trying to provoke the North, which has seemed particularly volatile since its leader appears to have had a stroke in August. "This is not at all a hawkish or hard line," said Kim Tae-hyo, the secretary to Lee for national security. "We still seek contacts with the North. Where we differ is that we demand mutual respect and reciprocity." Still, by moving the nation closer to Washington, the South Korean president's approach has deprived North Korea of one of its usual policy options in such standoffs: driving a wedge between Seoul and its traditional allies in Washington and Tokyo. Emblematic of Seoul's new tilt toward the United States was its sudden decision on May 26 to join the Proliferation Security Initiative after years of refusing to do so for fear of riling the North. North Korea responded by reiterating that it would consider any search of its ships to be an act of war. Even during the current crisis, however, South Korean officials said they were still trying to reach out to the North. They also said they were talking with China, Russia, Japan and the United States about putting together a "grand plan" of aid and other economic incentives to persuade the North to dismantle its nuclear program. As a possible model, they cite Ukraine, which relinquished its Soviet-made nuclear arsenal in exchange for a huge aid package and entree to the West. However, with the North's fear of the instability that greater openness could bring, many analysts doubt that even a generous aid package could coax it to end its weapons program. The emerging view here is that last Monday's nuclear test and the ensuing series of test missile launchings reflect North Korea's attempt to ensure its survival by creating an independent nuclear deterrent. The displays of technological achievement are also seen as a bid to create domestic support for the ill leader and his moves to install a successor, South Korean officials said. South Korean officials play down their role in provoking the North, saying officials in Pyongyang are engaging in the same brand of nuclear brinkmanship they have used in previous crises, though with a markedly faster pace. They say that despite the North's recent threats against the South, the main target audience remains the United States, with which the North wants to hold bilateral negotiations on a new footing as a nuclear nation. "You can't connect the dots between South Korean policy changes and the scale and pace of North Korea's current provocations," said Wi Sung-lac, the South Korean negotiator on Korean peninsula security affairs. (Martin Fackler and Choe Sang-hun, "Modifying Conciliatory Stance, South Korea Pushes back against the North," *New York Times*, June 1, 2009, p. A-4)

North Korea has moved a missile to its new launch site on the **west** coast in Dongchang-ri, North Pyongan Province, which has a built-in launch pad, the official added. The missile is in the process of being assembled at a facility at the Donchang-ri site, another source said. According to him, "The North is believed to have manufactured a set of three long-range rockets. One of them was launched on April 5, the other is in Dongchang-ri, and the other is being kept in a Pyongyang arms research center." Yonhap, "N. Korea May Launch Ballistic Missile after One or Two Weeks: Official," June 1, 2009)

South Korea reaffirmed its stance on its Yellow Sea border with North Korea amid reports the North has placed a navigation ban on vessels near the border, which was unilaterally drawn by the U.N. Command, as part of its plan for a possible act of provocation. "Our government and the U.N. Command will maintain the Korean War armistice and keep the Northern Limit Line," the Unification Ministry said in a press release. Intelligence sources said earlier in the day that the North recently prohibited vessels from navigating in the central and northern parts of the Yellow Sea, prompting South Korea to monitor the region for possible signs of a provocation. North Korea routinely sets up entry-prohibited areas in its western waters for military training purposes, but the latest ban that lasts nearly two months and ends in July is unusually long in duration, the sources said on condition of anonymity. The authorities "are keeping watch over the region, believing the ban could be a possible sign that there could be a provocation," one of the sources privy to North Korean intelligence said. (Kim Hyun, "N Korea Bans Navigation in Central, Northern Yellow Sea: Sources," Yonhap, June 1, 2009)

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PRC FoMin spokesman: "**China and North Korea have a normal state-to-state relationship.** China develops its relationship with North Korea just like it does with any other country." (Foreign Ministry Spokesperson Qin Gang's Remarks, June 2, 2009) [End of alliance dates back to mid-2008 though never before announced]

A new U.N. Security Council resolution and sanctions alone will not solve problems involving North Korea, Chinese Foreign Minister Yang Jiechi said in telephone talks with his Japanese counterpart Nakasone Hirofumi. Yang said China sees the need for Pyongyang to be brought back to negotiations such as the six-party talks on denuclearizing North Korea while "adding pressure" on the country, the Foreign Ministry said in a press release. Yang was quoted as saying that China supports an "appropriate reaction" by the Security Council and the adoption of a "balanced" resolution on the North's latest action. The ministry did not elaborate on what an appropriate and balanced reaction would mean. (Kyodo, "U.N. Sanctions Alone Will Not Solve N. Korea Problems: China," June 2, 2009)

A North Korean general, O Kuk-ryol, and confidant of the country's leader, Kim Jong-il, has been identified by U.S. and foreign intelligence agencies as a key figure in the covert production and distribution of high-quality counterfeit \$100 bills called supernotes, according to documents and interviews with intelligence officials. Gen. O, who was recently promoted to the country's powerful National Defense Commission, and several of his family members are said to be in charge of producing the fake \$100

bills, which are so carefully crafted that they are difficult to tell apart from real U.S. banknotes. A **foreign-government report** obtained by the *Washington Times* from a diplomatic source in Washington said Gen. O has emerged in recent months as one of the most powerful military figures in the North Korean regime and the person in charge of arranging the succession of Mr. Kim by his third son, Kim Jong-un. The information about the general in the report was confirmed by a senior U.S. intelligence official as well as by other current and former officials with knowledge of North Korean activities. They asked not to be named because of the sensitivity of the issue. An assistant to North Korea's ambassador to the United Nations, Sin Son Ho, rejected any allegation of counterfeiting. "As far as I know, this has already been, how to say, rejected by my government," the assistant, who asked not to be named, said in New York. "We have nothing to do with counterfeiting of American money. This was stated by my officials several times." He said many European nations, including Germany, have not found any truth to the North Korean counterfeiting reports. "We have never been involved in illegal activities such as counterfeiting. We lack the equipment," he said. (Bill Gertz, "N. Korea General Tied to Forged \$100 Bills," *Washington Times*, June 2, 2009) North Korea has produced counterfeit 100 U.S. dollar bills since U.S. financial sanctions were lifted against it 2007, with part of the forged "supernotes" smuggled into South Korea, a U.S. government source said yesterday. "Seoul and Washington have conducted a joint investigation since police booked those who attempted to circulate supernotes in South Korea in November last year. We've kept a close eye on the North's forgery since it is likely to affect both inter-Korean ties and relations between Washington and Pyongyang," the source said. "When members of the U.N. Security Council agree to impose tougher sanctions on North Korea over its second nuclear test, the North will be slapped with strengthened financial restrictions." Busan police arrested four people Nov. 10 last year for smuggling in 990,400 dollars worth of fake supernotes and asked Interpol to cooperate in arresting a key figure in the scheme living **in China**. Since then, the Secret Service under the U.S. Treasury Department has conducted a joint investigation with South Korean police to track global rings who make counterfeit currency. The four arrested said they smuggled the forged currency to take advantage of the strong dollar, but refused to name international brokers assumed to be connected to the North and distribution networks, according to Busan police. A diplomatic source said, "The Bush administration lifted financial sanctions on North Korea based on the North's tacit promise to stop counterfeiting U.S. bills. The North, however, has not stopped its counterfeiting." The *Washington Times* yesterday quoted a report by a country as saying O Kuk Ryol, vice chairman of North Korea's powerful National Defense Commission, and his family are taking the lead in the production and circulation of supernotes. A government official in Seoul said, "Since O is leading the preparation for the power transfer from North Korean leader Kim Jong Il to his youngest son Jong Un, we are closely looking for a connection between the North's hereditary power succession and its recent military provocations." "The Obama administration is devising measures as tough as those under the Bush administration to stop the illegal activity." (*Dong-A Ilbo*, "Fake N. Korean Supernotes Smuggled into S.K.," June 4, 2009)

6/3/09

After an hour-long meeting with South Korea's Vice Foreign Minister Kwon Jong-rak, Deputy Secretary of State James Steinberg told reporters, "I think we have a common view that we need to take steps to make clear to the North that the path it's on is the

wrong one." Steinberg is leading a high-profile U.S. delegation that also includes Treasury Undersecretary Stuart Levey, in charge of cracking down on terrorism-related funds, Wallace Gregson, assistant secretary of defense for Asian Pacific affairs, Jeffrey Bader, senior director for Asian Affairs at the National Security Council, and Stephen Bosworth, special representative on North Korea policy. Other members are Joseph DeTrani, in charge of North Korea for the Director of National Intelligence, and Vice Admiral James Winnefeld of the Joint Chiefs of Staff. "It's a delegation that reflects the strong commitment we have to our common security with the Republic of Korea and to working together on this very important challenge," Steinberg said. A ranking South Korean official said that the consultations with the U.S. team focused on measures to bring the North back to the bargaining table and strengthen the Seoul-Washington alliance, rather than punitive steps against the North. "We shared the notes on the assessment of the current situation and strategy, as well as ways to resume the six-way talks (on the North Korean nuclear program) and South Korea-U.S. alliance," he told Yonhap. **They also discussed possibility of the top nuclear negotiators meeting without the North.** The North's dialogue partners are South Korea, the U.S., China, Russia, and Japan. "If such a five-way meeting is helpful to the progress of the six-way talks, we support it," the official said. It is unclear, however, whether China, chair of the multilateral disarmament talks, will agree to the idea." Bosworth, meanwhile, had separate talks with Seoul's top nuclear envoy, Wi Sung-lac, to discuss the next step on North Korea. **"I think it's important for the five parties to make sure that we do everything possible to keep the prospects for the dialogue alive.** And I have some confidence that at some point we're going to see it resume," Bosworth said at the outset of the meeting. "I don't think it's useful to try to persuade them to do what they don't want to do. In the end, they will see that having dialogue is in their interest." He said the Obama administration has extended an olive branch to North Korea from the very beginning, adding, "This remains very much the process." Wi replied, "Given the current difficult times, we have to push for a solution through the six-party talks," He said. "We have both cards. On one hand, we have our reactions or actions, and on the other, we have dialogue and negotiation." (Lee Chi-dong, "S. Korea, U.S. Have Many 'Options' on N. Korea: Steinberg," Yonhap, June 3, 2009)

North Korea has begun preparations to fire three or four medium-range missiles, the South Korean military reported to the National Assembly's National Defense Committee on Tuesday. Defense Committee members quoted military officers as saying this when they visited the command post of the Joint Chiefs of Staff. They said the North is preparing to fire medium-range missiles near Anbyon-gun, Gangwon Province. The South has detected several vehicle mobile launchers carrying missiles in the area and assumes that the North will fire more than three missiles. (*Chosun Ilbo*, "N. Korea 'Preparing to Fire Mid-Range Missiles,'" June 3, 2009)

The construction of the launch platform at the site where North Korea is believed to be preparing to launch a long-range ballistic missile appears to be complete, according to a satellite image released by GlobalSecurity.org and taken Wednesday by DigitalGlobe Inc., a U.S. firm that operates high-resolution imaging satellites. It is the first image of the new missile launch site in Tongchang-ri, in northwest North Korea, to be released since the nation's preparation for a long-range ballistic missile launch was confirmed. Tim

Brown, a senior fellow at GlobalSecurity, pointed out that North Korea is ready to launch a long-range missile because the image shows the completed construction of the base's 10-story tall launch platform, from which a Taepodong-2 missile could be fired. Other satellite images taken at the time show the construction of a missile assembly building and operation center were complete. (*Yomiuri Shimbun*, "Satellite Image Shows Base 'Ready to Launch Missile,'" June 6, 2009)

President Obama, who will pay his respects June 5 at the Buchenwald Nazi concentration camp in Germany, has been sent an open letter from a Japanese citizens' group calling for the international community to denounce North Korea's notorious gulag system and not just focus on Pyongyang's nuclear threat. No Fence, a Tokyo-based association seeking the release of political prisoners in North Korea, where as many as 300,000 people are believed to be subjected to torture, hard labor and execution, said in the letter dated Monday that if the world does not recognize the horror taking place in the dictatorship, "we will be questioned by future generations on why we failed to apply the lesson of past crimes against humanity." The letter was endorsed by representatives of various international human rights organizations, including U.S.-based Human Rights Watch, South Korea's Committee for the Democratization of North Korea and Japan's Association of the Families of Victims Kidnapped by North Korea. The letter will also be sent to 3,000 lawmakers of leading industrial nations to spread awareness of the issue. (Alex Martin, "Letter to Obama Likens North's Gulags to Nazis," *Japan Times*, June 3, 2009)

The Liberal Democratic Party 's defense policy committee said that despite its pacifist constitution, it should be able to launch a pre-emptive strike against North Korea to stop any imminent attack. It also argued Japan should develop new spy satellites to provide advance warning of a missile launch without having to rely on US or other allies' intelligence. Japan faces elections by October, and PM Aso's conservative LDP has indicated it plans to make security a key campaign issue. "North Korea may obtain nuclear weapons and intercontinental ballistic missiles," former defense chief Nakatani Gen said after the meeting. "Naturally, we need to be able to strike enemy bases within the realm of the self-defense of our country." (AFP, "Japan's LDP Backs Preemptive Strike Capability against North Korea," June 4, 2009)

A Chinese government source told the *JoongAng Ilbo* yesterday that China has begun overhauling its North Korean policy following the North's nuclear test last week. The source said he believes President Hu Jintao wielded some influence on this change of course. Hu is also the chair of the Foreign Affairs Leading Small Group, a Communist Party organ that handles foreign policies of the country. Xinhua News reported that Hu spoke to the President Barack Obama by phone to discuss North Korea, and the agency said the United States wanted to "boost coordination and cooperation with China on a broad range of major issues." China has for decades maintained a soft line on North Korea but has slowly started turning its back after Pyongyang carried out its second nuclear test. Following the test, a government source said, "The Communist Party's international liaison department, the Defense Ministry and the Commerce Ministry have begun reviewing their North Korean policy." The source added that regional governments of Jilin and Liaoning Provinces, the two areas directly affected by the

nuclear test, were also part of the general review. Jilin borders North Korea to the east, and Liaoning to the southeast. "The result of their discussions will be reported to Hu Jintao, and the party's politburo standing committee will determine the final direction," the source said. "There's no guarantee this review process will end any time soon, but it will likely have a huge impact on China's mid- to long-term North Korean policy." A diplomatic source in Beijing said he has detected a change of tone among Korean experts in China. "In the past, those experts just regurgitated the official Chinese position on North Korea," the source said. "But recently, they're also incorporating views of foreign analysts on China's North Korean policy, and they're providing the local media with diverse perspectives." "This change has been due to an order from the Communist Party's Propaganda Department and other high-ranking officials." According to Reuters, Zhan Debin, an expert on Korea at Fudan University in Shanghai, wrote in the paper *Global Times* that North Korea is a "strategic burden" for China. "If this continues, China will not be able to stall international expectations by saying that North Korea doesn't listen or that we have no influence," wrote Zhan. "If Pyongyang continues raising the international stakes," Zhan added, "war cannot be ruled out, and North Korea will either continue to be trapped in a Cold War or will swiftly disappear." The diplomatic source said the Chinese leadership "was quite angry" with North Korea because it gave China only 29 minutes' notice "and proceeded with the test before China could prepare its official stance." In the immediate aftermath of the test, Xi Jinping, China's Vice President and vice chair of the Foreign Affairs Leading Small Group, strongly condemned the test during his Beijing meeting with South Korean Defense Minister Lee Sang-hee. The source added that the Chinese government is especially upset that the test has created a sense of anxiety among its citizens, especially those in Jilin Province, over possible exposure to radioactivity. (Chang Se-jung and Yoo Jee-ho, "China Reconsidering North Policies after Nuclear Test," *JoongAng Ilbo*, June 4, 2009) U.S. attempts to draw up a broad contingency plan in case North Korea's government collapses are being complicated by China's refusal to talk about potential chaos engulfing its dysfunctional neighbor. The U.S. has raised the idea of joint talks in several meetings with senior Chinese officials, most recently during a visit to Beijing in early June by U.S. Deputy Secretary of State James Steinberg, The Associated Press has learned from foreign diplomats and Chinese scholars briefed on the meetings. Chinese officials rejected the overtures, although they pledged to work constructively with the U.S. on North Korea. Both the scholars and the diplomats asked to remain anonymous because of the sensitivity of the issue. "We have to talk about the potential mess because the probability is low but it could be catastrophic," said Drew Thompson, a China expert at the Nixon Center in Washington. However, he said, the Chinese government's unwillingness to discuss North Korea's future with Washington is understandable given the difficulty in sundering longstanding ties. "It's hard to talk about your grandma before she's gone. This is estate planning." Beijing has ample reasons for not drawing too close to Washington. Should North Korea learn about U.S.-China talks on a post-Kim future, Beijing is worried that its already tetchy ally would become more difficult to deal with. If Kim's regime crumbles, China's communist leadership may want to preserve North Korea as a buffer state, rather than see a unified Korea ruled by U.S.-allied Seoul that could bring a democratic government and American troops to China's doorstep. "It's most urgent to talk with the U.S. about this future," said Jin Canrong, an international affairs expert at Renmin University in Beijing.

But North Korea "will accuse us of being too colonialist for trying to arrange their future," Jin said, and "in the minds of our leaders, there's still a lack of confidence and trust in the United States." With its interests partly aligned and partly diverging from Washington, Beijing is trying to curb North Korea's provocations while keeping its options open. "Who isn't irritated by Kim Jong Il at this point? But what can be done about it?" said Cui Yingjiu, a retired professor of Korean at Peking University whose protégés include several officials in the foreign-policy establishment. Cui attended Kim Il Sung University nearly 50 years ago. He regularly hosts friends from his school days - retired civil servants, policy researchers and other members of the North Korean elite - at his two-story house in Beijing's north suburbs. Recent visitors, Cui said, have described a power shift, with Kim Jong Il throwing his support behind military hard-liners and away from economic reformers to ensure the succession of his son, Kim Jong-un. Even if that transfer goes awry, Cui said, the most likely outcome is neither meltdown nor reunification with South Korea but a successor regime, perhaps a military government, in Pyongyang that will need Beijing even more. "The hard-liners will have to rely on China because they won't have the political power to deal with the United States," Cui said. (Charles Hutzler, "China Keeps U.S. Waiting on North Korea's Future," Associated Press, August 2, 2009)

6/4/09

The U.S. government again differs from the South Korea government in its conclusions on North Korea. Members of South Korea's National Intelligence Service called lawmakers to inform them that it was confirmed through a diplomatic telegram to overseas missions that North Korean leader Kim Jong-il's third son Kim Jong-un, age 26, was named successor. The U.S. government, however, assumed a prudent attitude in regards to the matter, saying, "Nothing has been confirmed." U.S. State Department Deputy Spokesman Robert Wood in briefing held on the same day spoke on North Korea's successor and the reports that had been made in South Korea. He said, "We think it was only a guess. We do not know what has happened in North Korea related to succession." Asked by reporters whether the U.S. received the diplomatic telegram that the South Korea media outlet reported, he answered, "We do not have the diplomatic telegram." A shift in attitude within the South Korea government could be discerned from a NIS telephone briefing on June 2. Chen Hae-sung, the spokesperson for the Unification Ministry said, "The Unification Ministry assumes a prudent attitude in dealing with affairs related to North Korea, including succession and health problems of the North Korean leader, and have had nothing to confirm the fact of Kim Jong-un's succession." Another senior government official said, "In fact, the NIS did not receive the diplomatic telegram which it said that it had secured. Therefore we cannot confirm Kim Jong-un's succession." (*Hankyore*, "NIS and U.S. Intelligence Draw Different Conclusions Regarding N. Korea's Successor," June 4, 2009)

Kissinger: "Many explanations have been advanced for the brazenness of North Korean tactics, such as a domestic struggle for succession to the clearly ailing "Dear Leader" Kim Jong-il. But the only partially rational explanation is that North Korea's leaders have recognized that no matter how conciliatory United States diplomacy, it would in the next phase demand the destruction of North Korea's existing weapons capability. Pyongyang's leaders have obviously decided to reject this outcome in the most absolute and confrontational manner. They must have concluded that no degree of

political recognition could compensate for abandoning the signal (and probably sole) achievement of their rule, for which they have obliged their population to accept a form of oppression and exploitation unprecedented even in this period of totalitarianism. They may well calculate that weathering a period of protest is their ticket to emerging as a de facto nuclear power. Hence the issue is no longer what forum should be used for negotiations but what their purpose is to be. The minimum precondition for a resumption of either of the existing forums would be that Pyongyang restore the previously implemented agreements that it has recently abrogated – especially the mothballing of the plutonium separation plant. But that is not enough. However the next diplomatic phase is conducted, the United States needs to enter it with the recognition that there is no longer any middle ground between the abandonment of the North Korean program and the status quo. Any policy that does not do away with North Korea's nuclear military capability, in effect, acquiesces in its continuation. A program of marginal additional sanctions followed by another protracted period of give-and-take would have that practical consequence. The North Korean challenge thus confronts the administration with two basic options: To accept tacitly or openly that the North Korean nuclear program is beyond the point where it can be reversed and to seek to cap it and proscribe any proliferating activities beyond North Korea's borders; To attempt to end the North Korean nuclear program by a maximum deployment of pressures, which requires the active participation of Korea's neighbors, especially China. ...A wise diplomacy will move urgently to assemble the incentives and pressures to bring about the elimination of nuclear weapons and stockpiles from North Korea. It is not enough to demand unstated pressures from other affected countries, especially China. A concept for the political evolution of Northeast Asia is urgently needed. Too much of the commentary on the current crisis has concerned the deus ex machina of Chinese pressures on North Korea and complaints that Beijing has not implemented its full arsenal of possibilities. But for China, the issue is not so much a negotiating position as concern about its consequences. If the Pyongyang regime is destabilized, the future of Northeast Asia would then have to be settled by deeply concerned parties amidst a fast-moving crisis. They need to know the American attitude and clarify their own for that contingency." (Henry A. Kissinger, "North Korea Throws down the Gauntlet," *International Herald Tribune*, June 4, 2009)

6/5/09

In meeting with Deputy Secretary of State Jim Steinberg, Foreign Minister Yang Jiechi made it clear that there would be no policy shift on North Korea. While some cited the cancellation of a 30 May trip to the DPRK by Chen Zhili, Vice Chair of the National People's Congress, as a sign of a shift, the move was a tactical gesture intended to relieve international pressure. The public debate between the strategists and the traditionalists, particularly its scale and intensity led many analysts in the U.S. and other countries to interpret it as proof that China was finally getting tougher on North Korea. ... A policy discussion held at the highest level resulted in the decision to follow the traditional course. ... Because no bureau or individual wants to be responsible for an escalation in tensions or conflict that might follow a policy change, senior political leaders are generally unwilling to risk suggesting a significant departure. Furthermore, while Chinese policy-makers feel proud of the country's growing influence, they are also intensely wary of the country being saddled with excessive expectations. North Korea is one issue where those excessive expectations are especially acute. Traditional policy is



currently being carried out through a deliberate attempt to separate the DPRK bilateral relationship from the nuclear issue. . . . Beijing generally does not allow public debate of its North Korea policy. Encouraging more voices and allowing scholars greater freedom to talk critically about the issue is a clear departure. The diversity of critical opinion was positively noted in several Western capitals, serving to massage China's image abroad. At the same time, allowing the debate to go public, including references to succession scenarios, sent a signal to the North Koreans. It is difficult to predict the overall impact of the debate on DPRK policy. In cases of other foreign policy quandaries, such as Japan, public debate eventually paved the way to real policy changes. A policymaker noted that despite the lack of major changes in policy, minor adjustments have taken place in policymakers' assessments of the situation, leaving room for possible adjustments in the future. Some slight policy shifts on DPRK are already discernable that could become increasingly important over time. China has begun to downplay the centrality of the six-party talks and encouraged the U.S. to open up dialogue with the DPRK. It moved away from the description of the relationship as "lips and teeth", to confining it to a normal "state to state" relationship. It supported back-to-back critical Security Council initiatives. It has allowed freer discussion of succession scenarios, and is engaging in track two initiatives with other countries, both of which previously were seen as taboo. (International Crisis Group, *Shades of Red: China's Debate over North Korea*, October 2009, pp. 10-11)

A revised draft Security Council resolution outlined by seven members on North Korea's second nuclear test would obligate all U.N. members to inspect North Korean cargo if it is suspected of carrying nuclear or missile-related items, U.N. diplomatic sources said. The revised draft also includes additional financial sanctions against North Korea in line with a call by Japan and the United States, the sources said. The draft, expressing "the gravest concern" at the latest nuclear test, described the action as a "violation and flagrant disregard" of relevant U.N. resolutions. The latest draft was sent to the capitals of the five permanent council members -- the United States, Britain, France, Russia and China -- plus Japan and South Korea yesterday. China, which is a traditional ally of North Korea and opposes tough measures on the country, has been reluctant to accept the draft, according to the sources. "We are spending day and night on it since the response of the Security Council to the nuclear test by North Korea should be very, very strong and clear," Japanese Ambassador Takasu Yukio told reporters. "How this will be formulated into a concrete way...requires very careful technical, legal and political examinations by all of us." (Kyodo, "Revised U.N. Draft Obligates Members Nations to Inspect N. Korean Cargo," June 5, 2009) State Department spokesman P.J. Crowley confirmed yesterday that the United States was considering targeting North Korea's access to financial markets. A draft of the resolution urges U.N. member states to cut loans, financial assistance and grants to North Korea and its suppliers for programs linked to its military program. The draft also expands an asset freeze and travel ban. The Bush administration applied similar financial pressure in 2005, infuriating Pyongyang. Crowley noted that during a tour of Asian capitals this week, Deputy Secretary of State James Steinberg was accompanied by Treasury Undersecretary Stuart Levey, the architect of the Bush-era sanctions. "Obviously, Stuart Levey's presence on this team would indicate that we're . . . looking at other ways that we can bilaterally put pressure on North Korea to return to the negotiating process," Crowley said. Secretary of State

Hillary Rodham Clinton said yesterday that the United States has "made considerable progress" in its negotiations on a resolution. But she also said that the United States and its allies "stand ready to resume negotiations with the North Koreans over their nuclear program." (Colum Lynch and Glenn Kessler, "U.S. Pushes U.N. Draft on N. Korea," *Washington Post*, June 6, 2009)

In visit to Seoul, DPJ leader Japanese opposition leader Yukio Hatoyama called Friday for "stern measures" to deal with North Korea's military threats that have raised tensions in the region, according to Yonhap. "The most important point is to induce North Korea to a table of dialogue, and (South) Korea and Japan, which are geographically close to North Korea, are required to cooperate with each other and also take stern measures as part of a 'carrot and stick' method," Hatoyama said during a meeting with South Korean National Assembly Speaker Kim Hyong O. Hatoyama met with President Lee Myung Bak at Blue House later in the day. Lee told Hatoyama that Japanese political leaders "need courage" to address issues of history, Lee's spokesman said. "Koreans are prepared to make strides toward the future if Japan makes determination in the issue of history," presidential spokesman Lee Dong Kwan quoted the president as saying. "(Japanese) political leaders need courage (in this regard)," the president was quoted as saying. (Kyodo, "Hatoyama Calls for 'Stern Measures' over N. Korea's Threats," June 5, 2009)

North Korea "sent a document today proposing working-level talk" on June 11, and the Seoul government accepted the proposal, said Unification Ministry spokesman Chun Hae-sung. The letter, hand-delivered to South Korea's management office at the joint park in the North's border town of Kaesong, did not set an agenda, except to say the meeting will be "regarding the Kaesong Industrial Zone," he said. (Kim Hyun, "South, North Korea to Meet at Joint Park Next Week," Yonhap, June 5, 2009)

President Lee Myung-bak said a day before Memorial Day, "Our country, the Republic of Korea, is ready to meet with North Korea for discussions on the denuclearization of the Korean Peninsula and inter-Korean cooperation," President Lee said. The president also urged North Korea to immediately release a South Korean worker detained on March 30 in a joint industrial park in the North's border town of Kaesong, saying his government will protect every single one of its citizens. "We believe North Korea must cooperate with us to help develop the Kaesong complex and that we (North and South Korea) must meet and discuss ways to normalize the joint project," the president said. (Byun Duk-kun, "President Calls on N. Korea to Resume Dialogue, Give up Provocations," Yonhap, June 5, 2009)

"We have decided to consider the North's nuclear test and missile launches as a challenge pertaining to the South Korea-U.S. alliance and to address the issue cooperatively," said FM Yu Myung-hwan in a briefing with South Korean press correspondents after meeting with U.S. Secretary of State Clinton. "The extended deterrence is a comprehensive notion that not only includes a nuclear umbrella but also military deterrence through conventional forces. No previous South Korea-U.S. summit has declared it." Q: Why has the UN resolution been delayed? Yu: "Although the ultimate goal of denuclearizing North Korea remains unchanged, the United States

seems to think that more detailed measures are necessary to have the entire world adopt a non-proliferation agenda after the North conducted its second nuclear test. The sanctions aim to place more detailed and effective regulations on the inspection of third countries' vessels and aircraft frequenting North Korea." Q: Are recent U.S. media reports on North Korea's circulation of counterfeit notes based on detailed evidence? Yu: "I understand new evidence has emerged recently." Q: What is the probability of former U.S. Vice President Al Gore visiting Pyongyang to negotiate the release of two American female journalists? Yu: "It seems that the U.S. government is discussing whether to tackle the issue directly or have the private sector deal with it. If similar precedents of American figures paying cash to North Korea in exchange for release of U.S. citizens in custody are taken into account, we could imagine Gore visiting North Korea. I personally expect he will limit negotiations to the humanitarian agenda of the journalists' release, rather than take advantage of the chance for political talks with the North." (Kim Jung-wook and Seo Ji-eun, "Washington and Seoul to Agree to an Expanded Pact," *JoongAng Ilbo*, June 8, 2009)

6/6/09

The Obama administration signaled today that it was seeking a way to interdict, possibly with China's help, North Korean sea and air shipments suspected of carrying weapons or nuclear technology. The reference to interdictions – preferably at ports or airfields in countries like China, but possibly involving riskier confrontations on the high seas – was made by Secretary of State Clinton. "We will do everything we can to both interdict it and prevent it and shut off their flow of money," she said on ABC's "This Week." "If we do not take significant and effective action against the North Koreans now, we'll spark an arms race in Northeast Asia. I don't think anybody wants to see that." While Clinton did not specifically mention assistance from China, other administration officials have been pressing Beijing to take such action under Chinese law. While some officials privately acknowledged that they would still like to roll back what one called North Korea's "rudimentary" nuclear capacity, a more realistic goal is to stop the country from devising a small weapon deliverable on a short-, medium- or long-range missile. In conducting any interdictions, the United States could risk open confrontation with North Korea. That prospect – and the likelihood of escalating conflict if the North resisted an inspection – is why China has balked at American proposals for a UN Security Council resolution that would explicitly allow interceptions at sea. A previous Security Council resolution passed after the North's first nuclear test in 2006, allowed interdictions "consistent with international law." But that term was never defined, and few of the provisions were enforced. Obama, aides say, has decided that he will not offer North Korea new incentives to dismantle the nuclear complex at Yongbyon that the North previously promised to abandon. In France yesterday, Obama referred to the same string of broken deals, telling reporters, "I don't think there should be an assumption that we will simply continue down a path in which North Korea is constantly destabilizing the region and we just react in the same ways." He added, "We are not intending to continue a policy of rewarding provocation." "I'm tired of buying the same horse twice," Secretary of Defense Robert M. Gates said last week while touring an antimissile site in Alaska. "Clinton bought it once, Bush bought it again, and we're not going to buy it a third time," one of Obama's chief strategists said last week, referring to the Yongbyon plant, where the North reprocesses spent nuclear fuel into bomb-grade plutonium. While some officials privately acknowledged that they would still like to roll

back what one called North Korea's "rudimentary" nuclear capacity, a more realistic goal is to stop the country from devising a small weapon deliverable on a short-, medium- or long-range missile. While Obama was in the Middle East and Europe last week, several senior officials said the president's national security team had all but set aside the central assumption that guided American policy toward North Korea over the past 16 years and two presidencies: that the North would be willing to ultimately abandon its small arsenal of nuclear weapons in return for some combination of oil, nuclear power plants, money, food and guarantees that the United States would not topple its government, the world's last Stalinesque regime. "This entirely changes the dynamic of how you deal with them," a senior national security aide said. Late last week, James Steinberg,, the deputy secretary of state, visited Beijing with a delegation of American officials, seeking ideas from China about sanctions, including financial pressure, that might force North Korea to change direction. "The Chinese face a dilemma that they have always faced," a senior administration official said. "They don't want North Korea to become a full nuclear weapons state. But they don't want to cause the state to collapse." They have been walking a fine line, the official said, taking a tough position against the North of late, but unwilling to publicly embrace steps that would put China in America's camp. To counter the Chinese concern, Steinberg and his delegation argued to the Chinese that failing to crack down on North Korea would prompt reactions that Beijing would find deeply unsettling, including a greater American military presence in the region and more calls in Japan for that country to develop its own weapons. Clinton seemed to reflect this concern in the interview today. (David E. Sanger, "U.S. Weighs Intercepting North Korean Shipments," *New York Times*, June 8, 2009, p. A-1) The United States will consider reinstating North Korea to a list of state sponsors of terrorism, "We're going to look at it," Clinton said on ABC's "This Week" when asked about a letter last week from Republican senators demanding that North Korea be put back on the list. "There's a process for it. Obviously we would want to see recent evidence of their support for international terrorism." (Peter Finn, "U.S. to Weigh Returning North Korea to Terrorism List," *Washington Post*, June 8, 2009, p. A-3)

6/7/09

North Korea sentenced two American journalists to 12 years of hard labor in a case widely seen as a test of how far the isolated Communist state was willing to take its confrontation with the United States. The Central Court, the North's highest court, held the trial of the two Americans, Laura Ling and Euna Lee, from June 11 to today and convicted them of "committing hostilities against the Korean nation and illegal entry," the North's official news agency, KCNA, said in a report monitored in Seoul. They were detained by North Korean soldiers patrolling the border between China and North Korea on March 17. "We are deeply concerned by the reported sentencing of the two American citizen journalists by North Korean authorities and we are engaged through all possible channels to secure their release," Ian C. Kelly, a State Department spokesman, said in statement quoted by Reuters. "We once again urge North Korea to grant the immediate release of the two American citizen journalists on humanitarian grounds." Secretary of State Clinton has called the charges "baseless" and the government had demanded that the North forgo the legal proceedings and release the two women. "They meted out a verdict somewhat harsher than I had expected. It means that North Korea doesn't want to release them without Washington paying a price," said Lee Woo-young, a North Korea specialist at the University of North Korea Studies in

Seoul. "It sends a signal to Washington to become more active in negotiations." (Choe Sang-hun, "North Korea Sentences 2 American Journalists to 12 Years of Hard Labor," *New York Times*, June 8, 2009, p. A-7) The U.S. government believes "that the charges against these young women are absolutely without merit or foundation," Clinton said on ABC television's "This Week." Clinton nodded when asked if she'd sent a letter asking for their release. "I have taken every action that we thought would produce the result we're looking for," Clinton said. "We hope the trial ends quickly, it's resolved, and they're sent home." (Heejin Koo, "Clinton Says North Korea Charges against Journalists Unfounded," Bloomberg, June 8, 2009) KCNA released a detailed report laying bare the facts about the crimes committed by the American journalists who were arrested for having illegally trespassed into the border of the DPRK and committed hostile acts against it for which they were tried. According to it, at dawn of March 17 unidentified two men and two women covertly crossed the River Tuman to intrude into its bank of the DPRK side in Kangan-ri, Onsong County, North Hamgyong Province. The two women were arrested on the spot. ...The investigation proved that the intruders crossed the border and committed the crime for the purpose of making animation files to be used for an anti-DPRK smear campaign over its human rights issue. The preliminary investigation proved that they had a confab on producing and broadcasting a documentary slandering the DPRK with Mitch Koss, executive producer of programming of the Current TV, David Neuman, president of programming, and David Harleston, head of the Legal Department of Current TV, and other men in Los Angeles, U.S. in January. A trial of the accused was held at the Pyongyang City Court from June 4 to 8. At the trial the accused admitted that what they did were criminal acts committed, prompted by the political motive to isolate and stifle the socialist system of the DPRK by faking up moving images aimed at falsifying its human rights performance and hurling slanders and calumnies at it. (KCNA, "KCNA Detailed Report on Truth about Crimes Committed by American Journalists," June 16, 2009)

North Korea has warned fishermen and boat captains to stay away from the country's east coast, Japan's coast guard said today, in another sign the communist regime is planning to fire more missiles after its recent nuclear test. (Jae-soon Chang, "North Korea Bans Ships from Coastal Waters," Associated Press, June 8, 2009)

Chinese FM Yang Jiechi called for "an appropriate and balanced" U.N. Security Council resolution in response to North Korea's nuclear test, apparently signaling that China would not accept the imposition of tougher sanctions on Pyongyang, a Japanese Foreign Ministry official said. (Kyodo, "China calls for 'Appropriate and Balanced' U.N. Resolution on N. Korea," June 7, 2009)

Kissinger op-ed: "[T]he issue for diplomacy has become whether the goal should be to manage North Korea's nuclear arsenal or to eliminate it. The administration has sent an interdepartmental team of senior officials to key countries to consult about the response. It will find no middle ground between the abandonment of the North Korean program and the status quo. Any policy that does not eliminate the North's nuclear military capability in effect acquiesces in its continuation. The negotiating process is on the verge of legitimizing North Korea's nuclear program by enabling Pyongyang to establish a fait accompli while diplomacy runs its stately course. ... Too much of the

commentary on the current crisis has concerned the deus ex machina of Chinese pressures on North Korea and complaints that Beijing has not implemented its full arsenal of possibilities. For China, the issue is not so much a negotiating position as concern about its consequences. If the Pyongyang regime is destabilized, the future of Northeast Asia would then have to be settled by deeply concerned parties amid a fast-moving crisis. They need to know the American attitude and clarify their own for that contingency. A sensitive, thoughtful dialogue with China, rather than peremptory demands, is essential. The outcome of such a dialogue is difficult to predict, but it cannot be managed unless America clarifies its own purposes to itself. A new argument in favor of acquiescence in North Korea's nuclear program contends that Pyongyang's conduct is really a cry for assistance against Chinese domination and thus deserves support rather than opprobrium. But turning North Korea into a ward of the United States is neither feasible nor acceptable to the countries whose support is imperative for a solution of the nuclear issue. Furthermore, some public statements imply the United States will try to deal with specific North Korean threats rather than eliminate the capability to carry them out. They leave open with what determination Washington will pursue the elimination of the existing stockpile of North Korean nuclear weapons and fissionable materials. It is not possible to undertake both courses simultaneously." (Henry A. Kissinger, "Reining in Pyongyang," June 9, 2009)

6/8/09

Seven key U.N. members are leaning toward removing proposed mandatory inspections of North Korean cargo suspected of carrying nuclear or missile-related items from a draft Security Council resolution over North Korea's recent nuclear test, U.N. diplomatic sources said. China has rejected the proposal, which has prevented the five permanent council members -- the United States, Britain, France and Russia as well as China -- plus Japan and South Korea from reaching a final agreement on the resolution until now, the sources said. The resolution, adopted in October 2006 after North Korea's first nuclear test, says all U.N. members are "called upon" to take "cooperative action including thorough inspection of cargo to and from" North Korea. Following Pyongyang's second nuclear test, Japan and the United States have insisted a new resolution include a phrase making cargo inspection by U.N. members mandatory rather than "calling upon" them to cooperate. According to the revised draft for the new resolution, the Security Council will decide that all U.N. members "shall inspect" all cargo to and from North Korea in their territories including seaports and airports, if the concerned state has "reasonable grounds" to believe that cargo contains nuclear and missile-related items. The draft also says all U.N. members are "authorized to inspect vessels, with the consent of the flag state, on the high seas, if there are reasonable grounds to believe that the cargo of such vessels contains" nuclear and missile items. But Beijing has stuck to the phrase "called upon" as used in Resolution 1718, the sources said. (Kyodo, "U.N. Members May Give up Mandatory Cargo Inspections for Resolution," June 9, 2009)

Chief Cabinet Secretary Kawamura Takeo said Japan wants Washington to put North Korea back on its list of state sponsors of terrorism. "The Japanese government protested the delisting. We also stand by the belief that abductions (of Japanese nationals) are indeed a form of terrorism," the top government spokesman added. (*Asahi Shimbun*, "Kawamura: Blacklist North Korea," June 9, 2009)

6/9/09

The United States is consulting with Japan and South Korea on its nuclear and other kinds of deterrence in search of a "new approach" to North Korea's nuclear and missile threats. "We are looking for a new approach in detailed and close consultation with Japan and the Republic of Korea," Wallace Gregson, assistant secretary for Asia and the Pacific, said in an interview with Japanese media including Kyodo. "We are taking a very close look at the deterrence capability that we have and whatever other cooperative actions that we can take...to make sure that we are able to assure the defense of Japan and the Republic of Korea," he said. The remarks are thought to suggest Washington is discussing the efficacy of its nuclear deterrence, which has long been left ambiguous, as well as to signal a shift in the dialogue-oriented North Korea policy of the administration of President Barack Obama. "In our view, we can't continue on the course that we have been for the last fifteen years because that hasn't been working," Gregson said in reference to North Korea's threats and diplomatic efforts to respond to them. "So now we need something else. And that's what we are in very close consultation with your officials about, along with those in the Republic of Korea," he said. Gregson expressed concern about Japan's possible nuclear armament in response to North Korea's second nuclear test in late May, though he said it is up to Tokyo to decide. "Japan is a sovereign nation. Japan certainly has the right to consider all available options," he said. "The United States is concerned that we adequately reassure Japan of the full range of our security guarantees to Japan." (Kyodo, "U.S. Is Consulting with Japan, S. Korea over Nuclear Deterrence," June 9, 2009)

Bosworth: "The United States shares with our allies, the Republic of Korea and Japan, and with China and Russia a fundamental interest in improving security and stability in the region through the denuclearization of the Korean Peninsula. This basic goal of the United States, the complete and verifiable denuclearization of the Korean peninsula, remains unchanged. I cannot envision a situation in which we would modify that goal. North Korea has announced its withdrawal from the Six-Party Talks, but **we and the other participants in the talks are committed to work through the Six-Party process to implement the principles of the September 2005 Joint Statement.** Notwithstanding North Korea's recent actions, **we and our partners in the talks remain open to meaningful dialogue and serious negotiations.** As we have indicated to Pyongyang, the United States also remain open to bilateral dialogue and negotiations as part of the multilateral effort. **North Korea's recent actions to develop a nuclear and intercontinental ballistic missile capacity require that we expand our consideration of new responses, including our force posture and extended deterrence options.** However, **the North Korea claim to be responding to a "threat" or a "hostile policy" by the United States is simply groundless. Quite to the contrary, we have no intention to invade North Korea or change its regime through force, and we have made this clear to the DPRK repeatedly. We are convinced that negotiation and dialogue are the best means to achieve the goal of complete and verifiable denuclearization of the Korean Peninsula.** Future negotiations, however, **need to establish the irreversible steps that North Korea must take to go beyond the impermanent disablement actions previously taken.** In short, we remain ready for serious negotiations with the North Koreans. Though denuclearization is vital and remains our prime and most necessary objective, it should not be the exclusive focus of our talks. North Korea should be shown a clear path

towards acceptance in the international community. In joining the international community, North Korea must live up to international standards, particularly with regards to respecting the human rights of its own people. **The Northeast Asia of the future will include a denuclearized North Korea, a peace regime on the Korean Peninsula to replace the Armistice of 1953 and normal, interlocking relations among all countries, including the DPRK and the United States. It should be a region of open borders and a free flow of communication, ideas, and travelers. No nuclear weapons will threaten the region, and economic cooperation and integration will provide all with opportunities for prosperity.** Before North Korea began backing away from its commitments and then taking a series of provocative actions, the Six-Party Talks had made progress toward achieving this vision. It provided a platform for engagement and dialogue that helps to build mutual trust and understanding. Each member of the Six-Party process was able to raise issues of concern and seek common ground. Each of us will continue to have differences and disagreements with North Korea, but we all understand that negotiation and dialogue are the best tools to solve them. Building a foundation of mutual trust and transparency will facilitate continued growth and prosperity in the region and make it possible for the people of North Korea to share in it. By continuing to threaten and alienate its neighbors, North Korea will deny itself the security and respect it claims to be seeking. For our part, the United States will of course do what we must to provide for our own security and that of our allies. It is North Korea that faces fundamental choices. **It can remain in the darkness of its cave and see the world only as shadows on the wall.** Or, it can come out into the light and join the international community. We will welcome the day when North Korea chooses to come out of its cave, and we will be prepared to receive them." (Ambassador Stephen Bosworth, "Remarks at the Korea Society Annual Dinner," June 9, 2009)

**Q.** "China and the DPRK signed the Treaty of Friendship, Cooperation and Mutual Assistance in 1961. Is this treaty still viable after the DPRK's nuclear test? **Qin:** I'd like to stress that it serves the interest of all parties to properly handle the issue through negotiations and dialogue, adhere to denuclearization on the peninsula, safeguard peace and stability of the peninsula and Northeast Asia and prevent the situation from escalating or getting out of control. Relevant countries should make unwavering efforts to that effect, and China will continue to play a constructive role in that area. ...**Q.** If the DPRK nuclear test leads to war on the Korean Peninsula, will China automatically join in the war according to the Treaty of Friendship, Cooperation and Mutual Assistance signed in 1961? **Qin:** You seem to have asked the question earlier, and I remember I have already answered that. If there are no more questions, thanks for coming! See you!" (PRC Foreign Ministry Spokesperson Qin Gang, Daily Briefing, June 9, 2009)

*Rodong Sinmun* editorial signals succession decided: "One of the important issues concerning the fate of the nation's revolution was shiningly resolved, which makes this year more meaningful than ever." As carried by Chosum Sinbo, it added, "A true war of will is one that succeeds generation after generation." (Yonhap Newsletter, "Pro-Pyongyang Daily Signals N. Korea's Power Succession," June 18, 2009)



Defense Minister Lee Sang-hee told troops this week that North Korea is launching missiles, testing nuclear devices and whipping up global tension so that its ailing leader, Kim Jong-il, can create conditions for a "hereditary transfer of power." Many analysts say that by fomenting confrontation and demonstrating military prowess the elder Kim, who is 67 and suffered a stroke last summer, is trying to distract North Koreans from the collapsed economy and continuing food shortages -- and make a security-based case for giving power to his young son. The North Korean leadership "does not hesitate to commit provocative acts" to achieve political goals, Lee said in an internal message to the military, which was later released by a spokesman. Lee said that Kim Jong Il is "obsessed with the development of nuclear power, launching of missiles and creating tension in order to build the basis for hereditary power transfer to his successor." Lee did not mention Kim's third son by name, but South Korea's intelligence agency told lawmakers last week that Jong Un, who attended a private school in Switzerland as a teenager, was his father's choice to take over the family dynasty that has run the communist country for 61 years. Inside North Korea, school children and soldiers have begun singing songs of praise to Jong Un, who is sometimes called the "Young General," according to aid groups that have contacts within the country. In a brief and surprisingly amiable interview broadcast this week on Japanese television, Kim Jong-il's eldest son Kim Jong Nam, 38, was asked by a reporter from Nippon TV if Jung-un would be the successor. "I think so," he said, during the June 6 interview, which occurred on a street in Macau, where Jong-nam often travels, apparently without security guards. "I hear this news on the media. I can't confirm and I can't say no." (Blaine Harden, "N. Korea's Belligerence Seen as Succession Drama," *Washington Post*, June 10, 2009)

Russia has rejected the latest version of a draft U.N. Security Council resolution to punish North Korea's recent nuclear test, an informed diplomatic source here said. Russia refused to endorse the revised draft, which demands that North Korea "not conduct any launch using ballistic missile technology," according to the source, who asked not to be named apparently due to the sensitivity of the issue. "Russia insists that the wording in Resolution 1718 is sufficient," the source said. "The initial draft has been revised three or four times so far," the source said. According to the latest version, leaked to an Internet news outlet last weekend, the U.N. council condemns the North's nuclear activity "in the strongest terms." It also "decides that all Member states are authorized to inspect vessels, with the consent of the flag state, on the high seas, if there are reasonable grounds to believe that the cargo of such vessel contain (illicit weapons)." China reportedly asked for the word "decides" to be changed into "call upon," and the proposal was accepted by other nations. (Lee Chi-dong, "Russia Holds out on Latest U.N. Resolution Draft on North Korea: Source," *Yonhap*, June 10, 2009)

6/10-17/09 Kim Jong-un, son and heir apparent of North Korean leader Kim Jong-il joined a delegation of senior military officials for a top-secret, week-long visit to China in mid-June in spite of Beijing's claims that no such trip occurred. The visit was intended to shore up support for the inexperienced 26-year old and reassure North Korea's closest ally that a smooth leadership transition was already under way, military, intelligence and diplomatic sources said. The younger Kim accompanied Jo Myong-rok, first vice-chairman of North Korea's National Defense Commission, regarded as the country's top

governing body, and Jang Song-taek, a member of the Defense commission and Kim Jong-il's brother-in-law. Jang has been put in charge of establishing Kim Jong-un's legitimacy, analysts say. The North Korean military delegation arrived by air in Beijing on June 10 and met senior Chinese officials during a clandestine visit that took them to Guangzhou, Shanghai and Dalian. They returned to Pyongyang on June 17. The itinerary closely matched that followed by Kim Jong-il on his last official visit to China in January 2006, although this latest trip was conducted far more discreetly and the delegation was housed in secure military hotels. It is not clear whether Kim Jong-un met Hu Jintao, China's president, but a person involved in aspects of the visit said that Kim did meet VP Xi Jinping, the man expected to succeed Hu, as well as former Chinese president Jiang Zemin. The talks focused on North Korea's nuclear ambitions and its testing of a nuclear weapon as well as the North's requests for China to forgive some bilateral debt and provide more energy aid. This month, China's foreign ministry denied any knowledge of such a visit. The ministry's official spokesman said at a subsequent press conference that the report was totally false and compared it to something out of a spy novel. (Jamil Anderlini and Robin Harding, "N. Korean Heir Made Secret Trip to China," *Financial Times*, June 29, 2009) North Korea on June 10 sent Jong-un to China, accompanied by a military delegation led by Chang. "With Jong-un's visit to China, Pyongyang apparently wanted Beijing, which is against the hereditary succession, to recognize him as the successor. Pyongyang also sought China's understanding on the nuclear experiment," a CPC source said. After the visit, exchanges of senior officials between the two countries resumed. (Minemura Kenji, "N. Korea Squirms after China Raps Test," *Asahi Shimbun*, February 24, 2010)

6/11/09

Asked whether planned celebration of the 60th anniversary of PRC-DPRK diplomatic relations, the "China-DPRK Friendship Year," would be held: "China has expressed its opposition against the DPRK's nuclear test. We develop our relations with the DPRK on the basis of the Five Principles of Peaceful Co-existence and decide our policies and position according to the own merits of the issue. The normal exchanges between China and the DPRK will not be affected." (PRC Foreign Ministry Spokesperson Qin Gang, Daily Briefing, June 11, 2009)

North Korea demanded a four-fold increase in wages for its workers and a 30-fold raise in rent at a South Korean-run industrial park during talks, officials said, casting darker shadows on the future of the last-remaining inter-Korean venture. However, Pyongyang did leave room for negotiation, Unification Ministry officials said, as the two sides agreed to meet again on June 19. "Judging from the amount of the money it is asking, North Korea may seem like it is telling (South Korean firms) to leave," Kim Young-tak, senior representative for inter-Korean dialogue at the Unification Ministry, said in a briefing after returning from the talks held at the North's border town of Kaesong. "But I can tell you for sure that there was no such word," Kim, who led the South's 14-member delegation, said. "We believe the two sides will reach an agreement through a long negotiating process starting today." North Korea still gave no promise about the Hyundai Asan employee, identified only by his surname Yu, only saying he is "doing well without any problem," Kim explained. Pyongyang demanded South Korean firms raise their average monthly wages for North Korean workers to US\$300 from the current \$70-\$80 and guarantee an annual wage increase of 10-20 percent from the current 5

percent, Seoul officials said. South Korean firms paid about \$26 million in wages to the North Korean government last year. North Korea also told the South to increase the rent for the joint park to \$500 million. South Korean developers, Hyundai Asan and the state-run Korea Land Corp., paid \$16 million when the park opened in 2004 for their right to develop the joint park over the next 50 years. The park hosts 106 South Korean firms producing clothing, kitchenware, electronic equipment and other labor-intensive goods. More than 40,000 North Koreans work there. North Korea's new demands deepened already serious concerns about the joint park. A fur clothing company, Skin Net, said this week it will close its factory in Kaesong by the end of this month, the first withdrawal by a South Korean firm from the joint venture. Ok Sung-seok, chief of Nine Mode Co., a clothing company with about 300 North Korean workers, said he believes the \$300 wage demand will not be the end result, and that North Korea will back down in the next talks. "North Korea was not saying, 'take it or leave it.' It set up the next talks, and I believe there's room for negotiation, and there will be an agreement that we can accept," Ok said. The firms will meet on Friday to decide on their position. Kim Yong-hyun, a North Korean studies professor at Dongguk University, said North Korea is forcing the South to pay more or give up the joint venture. He said Pyongyang cannot officially push for the closing of the joint park because it was initiated by its leader, Kim Jong-il. "North Korea wants to say the ball is now in the Lee Myung-bak government's court," he said. "By setting new talks, the North is saying, 'We're doing all we can. It's your responsibility if things go bad.'" (Yonhap, "N. Korea Demands Steep Wage, Rent Hikes from South at Joint Venture," June 12, 2009) KCNA: "The north-south working contact for the revision of contracts on the Kaesong Industrial Zone (KIZ) was made in Kaesong on Thursday. At the contact the north side noted with concern that the north-south relations which had favorably developed since the publication of the June 15 joint declaration have reached the phase of catastrophe and even the KIZ symbolic of the June 15 era was thrown into a serious crisis and clarified a principled stand and advanced concrete proposals for improving the operation in the KIZ as required by the changed inter-Korean relations and in line with the actual conditions. The north side asserted that it called for the reexamination and renegotiations of the business in the KIZ because there was no reason for keeping any longer the preferential measures which had been taken in the spirit of "By our nation itself" now that the historic north-south joint declarations were totally negated. Recalling that many enterprises of the south side are operating in the KIZ at present to gain big profits whereas the north side has not received payments at a proper level as far as land use tax, wages for workers of the north side and tax on the zone, etc. are concerned, the north side advanced draft amendments to the contracts on land use tax, wages, taxes, etc. in the KIZ. The north side urged the south side to rapidly push forward the construction of lodging quarters, nurseries and roads for the north side's workers to attend and leave their work sites, etc. as already agreed upon as an immediate step for bringing the business in the KIZ back on track. It also expressed its willingness to take additional measures to allow the number of the personnel of those businesses that newly started their operations to stay in the KIZ and pass through it and other matters at the same level as those already active in the zone were done. Both sides agreed to have the next working contact on June 19. (KCNA, "North-South Working Contact Made," June 11, 2009)

Hyundai Economic Research Institute, a Seoul-based research center, predicted that North Korea will lose US\$1.5-3.7 billion if the U.N. enforces the sanctions. Hyundai said it calculated the loss estimates based on the losses North Korea reportedly incurred between 2005 and 2007, when financial sanctions against Pyongyang were imposed. (Yonhap, "N. Korea to Face Huge Losses from U.N. Sanctions: Report," June 11, 2009)

The Security Council's five permanent members agreed on Wednesday on a draft resolution that would ratchet up sanctions against North Korea by concentrating on its financial transactions and its arms industry, including allowing for inspections of its cargo vessels on the high seas. The sharply worded resolution, while diluting some of the sanctions sought by the West and Japan, would still serve notice on North Korea that its nuclear and other weapons programs had created sufficient alarm to forge a rare unified front among the world's major powers. Written by the United States, the resolution came after more than two weeks of negotiations among the five permanent members – China, Russia, the United States, Britain and France – as well as with Japan and South Korea. It was presented to the full Security Council on Wednesday, and although no timetable for a vote was announced, it could come as early as Friday. Given its supporters, the measure seems assured of passing. Vitaly I. Churkin, the Russian ambassador, told reporters, "Having sanctions and things like that is not our choice, but a certain political message must be sent, and some measures must be taken, because we are facing a very real situation of proliferation risks." North Korea did not react immediately, although its reclusive government has said in the past that ship inspections or other intrusive steps would be considered acts of war. If the resolution is approved, the next hurdle will be ensuring its highly technical provisions are all carried out. Not all resolutions are equally respected by United Nations member states, and, as Ambassador Jorge Urbina of Costa Rica noted, the draft resolution is complex. The biggest question mark involved China, which has been reluctant to deploy the full weight of its influence on North Korea out of fear of destabilizing it amid a leadership transition. But various analysts suggested that it would not have publicly backed such sanctions unless it was serious about responding to North Korea's May 25 nuclear test. "They are deeply troubled by North Korean actions," Jonathan D. Pollack, a professor of Asian and Pacific studies at the Naval War College, said in a telephone interview from Beijing. The nuclear test followed a series of confrontational actions taken by the North, largely reversing every step it had taken to abandon its nuclear program in recent years. "It is important for there to be consequences, and this sanctions regime, if passed by the Security Council, will bite and bite in a meaningful way," said Susan E. Rice, the American ambassador, who shepherded the resolution through the negotiations. The United States and its allies had wanted the draft resolution to include mandatory cargo inspections, if there was reasonable suspicion that the cargo was weapons-related – something Washington had been seeking outside the United Nations during the Bush years through its Proliferation Security Initiative. But China and Russia balked at mandatory inspections. In a compromise, the resolution requests that states inspect ships on the high seas. If the country where the ship is registered decided to reject an inspection in international waters, then the country would be required to direct the vessel to a nearby harbor for an inspection. If neither happened, the episode would be reported to the Security Council's sanctions committee. The resolution also suggests that states should cut off "bunkering" services, like refueling, for North Korean vessels. It

is assumed that North Korea would balk at any inspections of its ships, analysts noted, and the resolution does not come under a United Nations provision that would allow the use of force as the ultimate fallback. William H. Tobey, the former senior Bush administration official for nuclear nonproliferation, who is now at Harvard's Belfer Center, said that North Korea imported about \$3 billion in goods annually, \$2 billion of it from China. It exports about \$1.5 billion legally, so it needs significant credit to make up the difference. "It would put a significant crimp in their ability to import," he said of the financial sanctions. (Neil MacFarquhar, "North Korea Could Face New Round of Sanctions," *New York Times*, June 11, 2009)

6/12/09

As the United Nations moves this week to sanction North Korea for its second nuclear test, there is strong evidence that a previous international squeeze did not work. Trade volume rose last year to its highest level since 1990, when a far more prosperous and less isolated North Korea was heavily subsidized by the Soviet Union, according to an analysis by the Korea Trade-Investment Promotion Agency, a government-funded organization in Seoul. North Korean exports surged 23 percent last year, compared with the previous year, and imports jumped 33 percent, the agency said. It found that China's share of overseas trade with the North is soaring, up from 33 percent in 2003 to 73 percent last year. The Security Council sanctions have had "no perceptible effect" on North Korea's trade with its largest partners, according to another study by Marcus Noland, a North Korea expert at the Washington-based Peterson Institute for International Economics. "In retrospect, North Korea may have calculated quite correctly that direct penalties for establishing itself as a nuclear power would be modest," Noland wrote in a paper published at the end of last year. "If sanctions are to deter behavior in the future, they will have to be much more enthusiastically implemented." (Blaine Harden, "Value of N. Korean Sanctions Disputed," *Washington Post*, June 12, 2009)

UNSC Resolution 1874 adopted unanimously: "Acting under Chapter VII of the Charter of the United Nations, and taking measures under its Article 41, 1. Condemns in the strongest terms the nuclear test conducted by the DPRK on 25 May 2009 (local time) in violation and flagrant disregard of its relevant resolutions, in particular resolutions 1695 (2006) and 1718 (2006), and the statement of its President of 13 April 2009 (S/PRST/2009/7); ...9. Decides that the measures in paragraph 8(b) of resolution 1718 (2006) shall also apply to all arms and related materiel, as well as to financial transactions, technical training, advice, services or assistance related to the provision, manufacture, maintenance or use of such arms or materiel; 10. Decides that the measures in paragraph 8(a) of resolution 1718 (2006) shall also apply to all arms and related materiel, as well as to financial transactions, technical training, advice, services or assistance related to the provision, manufacture, maintenance or use of such arms, except for small arms and light weapons and their related materiel, and calls upon States to exercise vigilance over the direct or indirect supply, sale or transfer to the DPRK of small arms or light weapons, and further decides that States shall notify the Committee at least five days prior to selling, supplying or transferring small arms or light weapons to the DPRK; 11. Calls upon all States to inspect, in accordance with their national legal authorities and **consistent with international law, all cargo to and from the DPRK**, in their territory, including seaports and airports, **if the State concerned has information that provides reasonable grounds to believe the cargo contains items**

**the supply, sale, transfer, or export of which is prohibited by paragraph 8(a), 8(b), or 8(c) of resolution 1718 or by paragraph 9 or 10 of this resolution**, for the purpose of ensuring strict implementation of those provisions; 12. Calls upon **all Member States to inspect vessels, with the consent of the flag State, on the high seas, if they have information that provides reasonable grounds to believe that the cargo of such vessels contains items the supply, sale, transfer, or export of which is prohibited by paragraph 8(a), 8(b), or 8(c) of resolution 1718 (2006) or by paragraph 9 or 10 of this resolution**, for the purpose of ensuring strict implementation of those provisions; 13. Calls upon all States to cooperate with inspections pursuant to paragraphs 11 and 12, and, if the flag State does not consent to inspection on the high seas, decides that the flag State shall direct the vessel to proceed to an appropriate and convenient port for the required inspection by the local authorities pursuant to paragraph 11; ...15. Requires any Member State, when it undertakes an inspection pursuant to paragraph 11, 12, or 13, or seizes and disposes of cargo pursuant to paragraph 14, to submit promptly reports containing relevant details to the Committee on the inspection, seizure and disposal; 16. Requires any Member State, when it does not receive the cooperation of a flag State pursuant to paragraph 12 or 13 to submit promptly to the Committee a report containing relevant details; ...18. Calls upon Member States, in addition to implementing their obligations pursuant to paragraphs 8(d) and (e) of resolution 1718 (2006), **to prevent the provision of financial services or the transfer to, through, or from their territory, or to or by their nationals or entities organized under their laws (including branches abroad), or persons or financial institutions in their territory, of any financial or other assets or resources that could contribute to the DPRK's nuclear-related, ballistic missile-related, or other weapons of mass destruction-related programs or activities, including by freezing any financial or other assets or resources on their territories or that hereafter come within their territories, or that are subject to their jurisdiction or that hereafter become subject to their jurisdiction, that are associated with such programs or activities and applying enhanced monitoring to prevent all such transactions in accordance with their national authorities and legislation**; 19. Calls upon all Member States and international financial and credit institutions **not to enter into new commitments for grants, financial assistance, or concessional loans to the DPRK, except for humanitarian and developmental purposes directly addressing the needs of the civilian population, or the promotion of denuclearization**, and also calls upon States to exercise enhanced vigilance with a view to reducing current commitments; 20. Calls upon all Member States not to provide public financial support for trade with the DPRK (including the granting of export credits, guarantees or insurance to their nationals or entities involved in such trade) where such financial support could contribute to the DPRK's nuclear-related or ballistic missile-related or other WMD-related programs or activities; 22. Calls upon all Member States to report to the Security Council within forty-five days of the adoption of this resolution and thereafter upon request by the Committee on concrete measures they have taken in order to implement effectively the provisions of paragraph 8 of resolution 1718 (2006) as well as paragraphs 9 and 10 of this resolution, as well as financial measures set out in paragraphs 18, 19 and 20 of this resolution; ...30. **Supports peaceful dialogue, calls upon the DPRK to return immediately to the Six Party Talks without precondition, and urges all the participants to intensify their**

**efforts on the full and expeditious implementation of the Joint Statements issued on 19 September 2005 and 13 February 2007, and the Joint Document issued on 3 October 2007, by China, the DPRK, Japan, the Republic of Korea, the Russian Federation and the United States, with a view to achieving the verifiable denuclearization of the Korean Peninsula and to maintain peace and stability on the Korean Peninsula and in north-east Asia;** 31. Expresses its commitment to a peaceful, diplomatic and political solution to the situation and welcomes efforts by Council members as well as other Member States to facilitate a peaceful and comprehensive solution through dialogue and to refrain from any actions that might aggravate tensions; 32. *Affirms* that it shall keep the DPRK's actions under continuous review and that it shall be prepared to review the appropriateness of the measures contained in paragraph 8 of resolution 1718 (2006) and relevant paragraphs of this resolution, including the strengthening, modification, suspension or lifting of the measures, as may be needed at that time **in light of the DPRK's compliance with relevant provisions of resolution 1718 (2006) and this resolution ...**" (Text, UNSC 9679, June 12, 2009)

6/13/09

DPRK FoMin statement: "On 12 June, at the instigation of the United States, the UN Security Council adopted in the end, a resolution on sanctions against the Republic by picking on our second nuclear test. This is yet another ugly product of an international pressure offensive, led by the United States, to bring down the ideology and system chosen by our people by disarming and economically suffocating us. Not content even with this resolution, the United States and Japan are even plotting a cowardly conspiracy to each impose more exclusive sanctions on our country by fabricating fictions such as counterfeit notes and drug trafficking. By more deeply drawing in the UNSC into their [the United States'] anti-Republic crushing maneuver, the United States has created a situation of acute confrontation which has never existed on the Korean peninsula. ... Our second nuclear test is a self-defensive measure, which was enforced to cope with such hostile acts of the United States and is not in violation of any international law. In essence, today's confrontation is the confrontation between the DPRK and the United States and an issue related to our Republic's sovereignty and dignity, before being an issue related to peace and security. **Nuclear abandonment has now become absolutely impossible, through and through, and whether or not one recognizes our possession of nuclear weapons is of no interest to us.** Upon authorization, the DPRK Foreign Ministry resolutely denounces and rejects the UNSC Resolution 1874, and at this current stage when an all-out confrontation with the United States has started, [we] declare that the following countermeasures will be taken to defend the nation's dignity and the country's sovereignty: First, **the whole amount of the newly extracted plutonium will be weaponized.** Currently, **more than one third of the total amount of spent fuel rods has been reprocessed.** Second, **uranium enrichment work will begin.** In accordance with the decision to build a light-water reactor on its own, **development of uranium enrichment technology to guarantee nuclear fuel has successfully progressed and has entered the test stage.** Third, **if the United States and its follower forces attempt to carry out a blockade, [that] will be regarded as an act of war and [the DPRK] will resolutely respond militarily.** No matter how hard the hostile forces including the United States try to carry out isolation and blockade, our Republic which is a full-fledged nuclear state will not even flinch.

Resolutely facing sanctions with retaliation and confrontation with an all-out confrontation is the method of countermeasure based on our military-first idea." (KCNA, DPRK Foreign Ministry Statement," June 13, 2009)

Japan plans to impose a total ban on exports to North Korea as part of its new economic sanctions against Pyongyang following last month's nuclear test, the Nikkei business daily and the *Tokyo Shimbun* reported. (AFP, Japan to Impose Ban on Exports to N. Korea," June 13, 2009)

Following North Korea's continued provocative actions in recent months, President Lee Myung-bak proposed five-party talks, a new approach toward the often-troubled six-way talks on the North's nuclear programs. In an interview with the *Wall Street Journal* prior to his summit with U.S. President Barack Obama June 16, President Lee said, "The North Koreans have gained, or bought, a lot of time through the six-party-talks framework to pursue their own agenda. I think it's important now, at this critical point in time, for us not to repeat any past mistakes." (Kim Se-jeopng, "Lee Wants New Approach toward Six-Party Talks," *Korea Times*, June 14, 2009)

In an interview, President Lee Myung-bak said, "I fully support President Obama's call to have a world without nuclear weapons . . . But in the meantime we are faced with North Korea trying to become a nuclear power and this really is a question we must deal with *now*." Until now, South Korean presidents have unreservedly backed the six-party talks -- a forum that includes the U.S., the two Koreas, Japan, China and Russia. Lee is the first national leader to publicly acknowledge their failure. "The North Koreans have gained, or bought, a lot of time through the six-party-talks framework to pursue their own agenda. I think it's important now, at this critical point in time, for us not to repeat any past mistakes," he says. Now, it's "very important for the remaining five countries -- which excludes North Korea -- to come to an agreement on the way forward." Lee is obliquely referring to the conflicting goals of the six-party talk participants. South Korea's stated goal is the denuclearization and ultimate reunification of the Korean peninsula -- a vision the U.S. and Japan support. But China and Russia don't want to see the Kim regime fall, fearing floods of refugees, weapons proliferation, and, most importantly, the potential collapse of a buffer state between them and the democratic nations of North Asia. What about stricter financial sanctions, like the kind the U.S. Treasury successfully leveled against Banco Delta Asia (a North Korea enabler) in Macau in 2005? That is "one type of sanction that we can level." Should the U.S. add the North to the list of terror-sponsoring nations? "That in itself may have some symbolic meaning. But in actuality, having North Korea on the list or not will not make really much of a difference," he says. The bottom line: "Our ultimate objective is to try to convince North Korea to give up its nuclear weapons program, but we must also ask ourselves: What do the North Koreans want in return for giving up their nuclear weapons program? I think this is the type of discussion that the five countries should be engaging in now, robustly." Yet another reference to excluding North Korea from the talks until the five countries can get their message straight. According to the Ministry of Unification -- a relic of prior administrations that Lee has politically sidelined -- even the South's humanitarian aid to Pyongyang dropped to 116 billion won (\$93 million) last year from 439.7 billion won in 2007. Meanwhile, the South has quietly started to beef up its



defenses. After last month's nuclear test, South Korea signed on to the U.S.-led Proliferation Security Initiative to halt trafficking in weapons of mass destruction. After years of neglect, the South has started to rebuild its spy networks in the North. And it inked a defense agreement with Australia. This month the American, Japanese and South Korean defense ministers met together for the first time at the Shangri-La dialogue, a regional defense forum. Would South Korea ever consider developing its own nuclear deterrent? "At this moment, no, absolutely not . . . I think you wanted me to say yes?" Lee asks, chuckling. The North has reacted to Lee's approach by trying to bully him back to the bargaining table. Beginning last year, Pyongyang started to refuse humanitarian aid. The North seized a South Korean citizen working at the Kaesong industrial complex -- a business park just north of the demilitarized zone where South Korean companies employ North Korean workers -- and threatened to shut the place down. In April, the North fired off a long-range rocket. Then came last month's nuclear test, followed by a barrage of missile tests. But the North miscalculated. Lee hasn't budged on his aid conditions, and he's held firm on Kaesong too. If Kaesong shut down, "some of our South Korean companies investing in there will incur some loss," he concedes. "But I think the loss on the side of the North Koreans will be much more dramatic and much more severe, because 40,000 North Korean workers will lose their jobs." This week, a Korean company shut down its operations in Kaesong. What if more decide to leave? "There isn't much that the government can do," the president says. "One of the most important reasons for North Korea continuing its nuclear ambitions is to consolidate the power to stay within the Kim Jong Il family," he says. Kim also wants the North to "achieve the status of what they call a 'strong' or 'mighty' nation," he says. "Of course he cannot achieve the status of a mighty nation economically, so by possessing nuclear weapons I think he's trying to achieve that goal." Complicating matters, there is now speculation that Kim, who appeared wan in recent propaganda photographs, is readying to transfer power to his third son, Kim Jong Un. Is there any evidence that the son will be more reasonable than his father? "I think it's more important for us to look at [the situation] from this perspective: Is it going to be beneficial for North Korea, and also for peace and stability here on the Korean peninsula, for North Korean leadership to enter into the . . . third generation of leadership in the Kim family?" This isn't just a problem for North Asia. "If we are to assume that North Korea becomes a nuclear-power state, of course the danger of having an all-out nuclear war, that possibility is very slim," he says. "However, what really should concern us, and what concerns me, is the fact that North Korea nuclear capabilities may be used for nuclear terrorism." Lee worries about the effect a nuclear North Korea could have on countries like Syria and Iran. The war on terror "is still very much alive," he says. Mr. Lee may consider sending Koreans to Afghanistan to help with reconstruction efforts. (Mary Kissel [editorial page editor], "South Korea's Bulldozer Heads for the White House," June 13, 2009, p. A-11)

In a Foreign Ministry statement released immediately after the United Nations Security Council (UNSC) adopted Resolution 1874, North Korea announced it would weaponize all newly extracted plutonium, begin uranium enrichment and react militarily to a blockade. All three of these threatening measures fell within a range already predicted. Since the Foreign Ministry statement did not fully advocate the "retreat is defeat and death" and "desperate will" communicated in the North Korean news outlet Rodong

Sinmun's June 9 editorial, some experts are analyzing the statement as relatively mild. First, the statement regarding the weaponizing of plutonium is not surprising because North Korea began reprocessing in late April. As pointed out by Jang Yong-seok, the head of the Institute for Peace Affairs, from a technology or substance perspective this is not a new threat. Second, the statement said that North Korea's enrichment of uranium is at the experimental stage, however, this too, was forewarned in an April 29 Foreign Ministry statement. At the time, North Korea said that it would begin technical development without delay to guarantee autonomous production of nuclear fuel. This latest statement reaffirms its position, and in the end, reiterates the same rhetoric. Lastly, there is the threat of a military response, but this rearticulates North Korea's existing position, which is that it considers sanctions to be a declaration of war and a blockade an act of war. Accordingly, **what North Korea did not say in this statement is more important than what it did say.** North Korea did not hint at or threaten a third nuclear test. In particular, it lacked any mention of an intercontinental ballistic missile (ICBM) launch, which had been warned of in the April 29 statement and signs of which had been detected since late May. Since last April, North Korea has expressed these threats in its statements and announcements as "self-defense measures." This time, however, it distinguished them as "response measures." Professor Izumi Hajime of the University of Shizuoka in Japan said Saturday that North Korea has made provocative statements and taken actions since April, but the statement it made this time was moderate and less provocative. Surprisingly, this squares exactly with Russia's predictions. A Russian Foreign Ministry source said Thursday that North Korea would not react sensitively to the UNSC resolution, and that Russia did not see North Korea following up with any actions. The source added that the UNSC resolution was meant to serve as a way of resolving the situation and not to make it worse. *Choson Sinbo*, the newspaper of the pro-Pyongyang General Association of Korean Residents in Japan, was in accord with this position. The paper posted an article Saturday concerning sanctions and the response of self-defense measures that the one would not stop as long as the other did not yield. *Choson Sinbo* suggested it was up to the side providing cause to put the breaks on the gradual intensification of tensions. This appears to carry the meaning that if the U.S. does not pursue applying independent financial sanctions, North Korea, too, would not escalate things further. While U.S. Secretary of State Hillary Rodham Clinton expressed "deep regret" on Saturday over the North Korean Foreign Ministry statement, emphasis was placed on the execution of the latest UNSC resolution. (*Hankyore*, "N. Korea's Response to UNSC Resolution Opens up Space for Dialogue," June 15, 2009)

6/15/09

The United States has determined that the nuclear test conducted by North Korea last month yielded an explosion of a few kilotons, the U.S. Office of the Director of National Intelligence said. "The U.S. intelligence community assesses that North Korea **probably** conducted an underground nuclear explosion in the vicinity of Punggye on May 25, 2009," the office said in a statement. "The explosion yield was approximately a few kilotons." (Reuters, "North Korea's May Nuclear Test Few Kilotons," June 15, 2009)

The Obama administration will order the Navy to hail and request permission to inspect North Korean ships at sea suspected of carrying arms or nuclear technology, but will not board them by force, senior administration officials said. The planned American action stops just short of the forced inspections that North Korea has said that it would regard

as an act of war. In discussing the strategy, administration officials said that the United States would report any ship that refused inspection to the Security Council. While the Navy and American intelligence agencies continued to track the ship, the administration would mount a vigorous diplomatic effort to insist that the inspections be carried out by any country that allowed the vessel into port. The officials said that they believed that China, once a close cold war ally, would also enforce the new sanctions, which also require countries to refuse to refuel or resupply ships suspected of carrying out arms and nuclear technology. A senior administration official said Monday evening that the United States believed that it already had sufficient intelligence and naval assets in the Sea of Japan to track North Korean ships and flights. The country's cargo fleet is relatively small, and the North is wary, officials say, of entrusting shipments banned by the U.N. to Panamanian-flagged freighters or those from other countries. Until now, American interceptions of North Korean ships have been rare. Early in the Bush administration, a shipment of missiles to Yemen was discovered, but the United States permitted the shipment to go through after the Yemenis said they had paid for the missiles and expected delivery. Under the new United Nations resolution, American officials said they now had the authority to seize such shipments. "China will implement the resolution earnestly," said Qin Gang, a spokesman for the Chinese Foreign Ministry, said. One official in Washington said the administration was told by their Chinese counterparts that China "would not have signed on to this resolution unless they intended to enforce it." While the captain of a ship may refuse inspection, as the North Koreans almost certainly would, the Obama administration officials noted that most North Korean vessels have limited range and would have to seek out ports in search of fuel and supplies. American officials believe that previous North Korean shipments of nuclear technology and missiles have gone undetected. The North Koreans were deeply involved in the construction of a reactor in Syria until September 2007, when the reactor was destroyed in an Israeli air raid. But no ships or aircraft carrying parts for that reactor were ever found. Obama's aides have said that while the new president is willing to re-engage in either the talks with North Korea and its neighbors or in direct bilateral discussions, he will not agree to an incremental dismantlement of the North's nuclear facilities. "There are ways to do this that are truly irreversible," said one of Obama's aides, declining to be specific. On Saturday the North said that it would reprocess its remaining stockpile of spent nuclear fuel into plutonium, adding to an existing stockpile believed sufficient to make six or eight weapons. Such announcements have heightened fears that North Korea's next step could be to sell more of its nuclear or missile technology, one of the few profitable exports of a broken, starving country. The result is that Mr. Obama, in his first year in office, is putting into effect many of the harshest steps against North Korea that were advocated by conservatives in the Bush White House, including Vice President Dick Cheney. The new approach, officials said, will also exploit elements of the Security Council resolution to try to close down the subsidiaries of North Korean missile makers in China, Southeast Asia, and the Middle East, where the North has its biggest customers. (David E. Sanger, "U.S. to Confront, Not Board, North Korean Ships," *New York Times*, June 16, 2009, p. A-1)

South Korea and the United States have agreed to push for talks of regional powers to coordinate measures to effectively deter North Korea's provocative actions. President Lee Myung-bak in Washington met with Secretary of State Hillary Clinton and Secretary of Defense

Robert Gates. "We need a strategic and principled approach so that North Korea could realize that its bad behavior will no longer get rewarded and the North will have to pay for it," Lee was quoted as saying during his meeting with Gates. The president stressed that five members, excluding North Korea, of the six-party talks should address the North's threat in one voice, said presidential spokeswoman Kim Eun-hye. Gates expressed his consent, saying that it was time to change the allies' approach in dealing with the North, she said. Lee also discussed a Korea-U.S. trade agreement and the global economic crisis with Secretary of Treasury Timothy Geithner and Trade Representative Ronald Kirk. Lee and Geithner agreed that world economies are showing signs of recovery but cautioned against premature optimism. Geithner was quoted as saying that the United States will not let up its stimulus measures and that next year's package would be almost of the same scale as that of 2009. He dismissed concerns about inflation, saying that growth rates of all countries fell short of their growth potential. (Hwang Jang-jin, "N.K. Bad Behavior Will No Longer Be Rewarded," *Korea Herald*, June 17, 2009)

A Kyodo News weekend poll released Monday found 38.5 percent of voters voicing support for the DPJ compared with a record-low 19.8 percent backing Prime Minister Aso's LDP. The support rate for the Cabinet was just 17.5 percent, down 8.7 percentage points from last month, according to the weekend survey of 1,039 randomly called voters. Asked what party they would vote for in the next House of Representatives election's proportional representation blocks, 47.8 percent of the pollees named the DPJ and 18.7 percent said the LDP. (*Japan Times*, "Popularity of DPJ Doubled LDP's: Poll," June 15, 2009)

6/16/09

President Obama met today at the White House with his South Korean counterpart, Lee Myung-bak, with a new program of U.N. sanctions and threats from the North Korean government serving as the backdrop. Lee secured assurances from Obama that the United States would extend its "nuclear umbrella" over South Korea in the face of attacks from the North. In addition, both leaders pledged to pursue a "denuclearized" Korean Peninsula, with Obama declaring during remarks to reporters that North Korea's bid to become a nuclear power is not inevitable and will not be accepted by his administration. **"We will pursue denuclearization on the Korean Peninsula vigorously, so we have not come to a conclusion that North Korea will or should be a nuclear power,"** Obama said. "Given their past behavior, given the belligerent manner in which they are constantly threatening their neighbors, I don't think there's any question that that would be a destabilizing situation that would be a profound threat to not only the United States' security, but to world security." (Scott Wilson, "Obama, South Korean Leader Discuss Threat from North," *Washington Post*, June 16, 2009)

KCNA "released a detailed report laying bare the facts about the crimes committed by the American journalists who were arrested for having illegally trespassed into the border of the DPRK and committed hostile acts against it for which they were tried. According to it, at dawn of March 17 unidentified two men and two women covertly crossed the River Tuman to intrude into its bank of the DPRK side in Kangan-ri, Onsong County, North Hamgyong Province. The two women were arrested **on the spot**. The arrestees were confirmed to be Chinese-American Laura Ling, 32, correspondent of the Current TV, and south Korean-American Seung-Un Lee, 36, editor of the Current TV. The

investigation proved that the intruders crossed the border and committed the crime for the purpose of making animation files to be used **for an anti-DPRK smear campaign over its human rights issue**. The preliminary investigation proved that they had a confab on producing and broadcasting a documentary slandering the DPRK with Mitch Koss, executive producer of programming of the Current TV, David Neuman, president of programming, and David Harleston, head of the Legal Department of Current TV, and other men in Los Angeles, U.S. in January. A trial of the accused was held at the Pyongyang City Court from June 4 to 8. At the trial the accused admitted that what they did were criminal acts committed, prompted by the political motive to isolate and stifle the socialist system of the DPRK by faking up moving images aimed at falsifying its human rights performance and hurling slanders and calumnies at it. In the name of the DPRK the Central Court determined ten years of hard labor according to Provision 69 of the Criminal Code and four years of hard labor according to Provision 233 of the Criminal Code for the accused Laura Ling and Seung-Un Lee and sentenced them to 12 years of hard labor according to Provision 44 of the Criminal Code. The prison term is counted from March 22, 2009, when the accused were detained and it was pronounced that the judgment is unappealable. The criminals admitted and accepted the judgment. **We are following with a high degree of vigilance the attitude of the U.S.** which spawned the criminal act against the DPRK." (KCNA, "KCNA Detailed Report on Truth of Crimes Committed by American Journalists," June 16, 2009)

Obama-Lee press conference: Obama: **"Its nuclear and ballistic missile programs pose a grave threat to peace and security of Asia and to the world.** ...Today, President Lee and I reiterated our shared commitment to the complete denuclearization of the Korean peninsula. We have reaffirmed the endurance of our alliance, and America's commitment to the defense of the Republic of Korea. ...So I want to be clear that there is another path available to North Korea -- a path that leads to peace and economic opportunity for the people of North Korea, including full integration into the community of nations. That destination can only be reached through peaceful negotiations that achieve the full and verifiable denuclearization of the Korean peninsula. ... President Lee and I also discussed our efforts to confront the global economic crisis. Earlier this year in London, we agreed upon bold and sustained action to jumpstart growth and to prevent a crisis like this from never happening again. Today, we reaffirmed this effort, as well as our commitment to resist protectionism and to continue our close collaboration in the run-up to the next meeting of the G20 in Pittsburgh. ... Finally, I think it's important to note that we are releasing a joint statement laying out a shared vision for our alliance in the 21st century. Our friendship has often, understandably, focused on security issues, particularly in Northeast Asia. But we're also committed to a sustained strategic partnership with the Republic of Korea on the full range of global challenges that we're facing -- from economic development to our support for democracy and human rights; from nonproliferation to counterterrorism and peacekeeping." Lee: "As reiterated by President Obama, we agreed that under no circumstance are we going to allow North Korea to possess nuclear weapons. We also agreed to robustly implement U.N. Security Council Resolution 1874, and of course all parties will faithfully take part in implementing this resolution. Also, we agreed that based on the firm cooperation between the U.S. and Korea, the five countries taking part in the six-party talks will discuss new measures and policies that will effectively

persuade North Korea to irrevocably dismantle all their nuclear weapons programs. ... President Obama and I also talked about the KORUS FTA and welcomed the initiation of working-level consultations to make progress on the issues surrounding the KORUS FTA and agreed to make joint efforts to chart our way forward on the agreement." Obama: "We will pursue denuclearization on the Korean Peninsula vigorously. So we have not come to a conclusion that North Korea will or should be a nuclear power. Given their past behavior, given the belligerent manner in which they are constantly threatening their neighbors, I don't think there's any question that that would be a destabilizing situation that would be a profound threat to not only the United States' security but world security. North Korea also has a track record of proliferation that makes it unacceptable for them to be accepted as a nuclear power. They have not shown in the past any restraint in terms of exporting weapons to not only state actors but also non-state actors." Lee: "We will pursue denuclearization on the Korean Peninsula vigorously. North Korea has been resisting and they've reacted aggressively to the new U.N. Security Council resolution, which is quite expected. And of course the North Koreans may react by firing another round of missiles or taking actions. We can also expect that from them, as well. However, North Koreans must understand that they will not be able to gain compensation by provoking a crisis. This has been a pattern in the past, but this will no longer be. The firm U.S.-Korea cooperation and alliance will not allow that. And the recent Security Council resolution is not simply about words; it is about taking follow-up action and vigorously implementing the U.N. Security Council resolution. And we'll make sure that we fully implement the U.N. Security Council resolution. Like I said, the North Koreans must understand that their past behavior will not stand. ... With regards to the Kaesong industrial complex, the North Korean authorities are demanding unacceptable demands, and we will not accept such demands being laid out by the North Koreans. Of course the South Korean government is very much for maintaining the Kaesong complex because the Kaesong industrial complex is a channel of dialogue between the two Koreas. And also, another fact that we must not overlook is the fact that there are 40,000 North Korean workers currently working in Kaesong industrial complex. If the Kaesong industrial complex were to close, these 40,000 North Korean workers will lose their jobs. And therefore I ask that -- I urge the North Koreans not to make any unacceptable demands because we cannot really know what will happen if they continue on this path. Obama: "The message we're sending -- and when I say "we," not simply the United States and the Republic of Korea, but I think the international community -- is we are going to break that pattern. We are more than willing to engage in negotiations to get North Korea on a path of peaceful coexistence with its neighbors, and we want to encourage their prosperity. But belligerent, provocative behavior that threatens neighbors will be met with significant, serious enforcement of sanctions that are in place. And I think it may not have been fully acknowledged the degree to which we have seen much tougher sanctions voted out unanimously in fairly rapid order over the last several weeks." (White House Office of the Press Spokesman, Remarks by President Obama and ROK President Lee Myung-bak in Joint Press Availability," June 16, 2009)

President Lee Myung-bak and his U.S. counterpart Barack Obama agreed on a new approach to the North Korean nuclear issue, an eclectic mix of Clinton-era bilateral talks and the Bush-era six-party talks intended to end North Korea's brinkmanship. The U.S.

will serve as the main negotiating partner of North Korea under the new plan representing five nations in the six-party talks. While the pattern may look like a mere throwback to the Clinton-era bilateral dialogue, diplomats say there are essential differences. First, the U.S. will engage in talks with North Korea after discussions with South Korea, China, Japan and Russia. Then the four nations will give the U.S. "bargaining rights" after working out a joint plan what price the North should pay unless it abandons its nuclear weapons. Second, during the Clinton administration, the U.S.-North Korean talks followed a single track -- freeze the North's nuclear program through bilateral talks. But now they will follow a double track policy -- the U.S. will prepare to impose sanctions on the North through five-way talks on the one hand, and will invite the North to multilateral talks through the U.S.-North Korean dialogue channel on the other. In a press conference, Obama said, "North Koreans must understand that they will not be able to gain compensation by provoking a crisis. This has been a pattern in the past, but this will no longer be. The firm U.S.-Korea cooperation and alliance will not allow that... The message we're sending -- and when I say 'we,' not simply the United States and the Republic of Korea, but I think the international community -- is we are going to break that pattern." (Kim So-hyun, "Expectations Low for New Kaesong Talks," *Chosun Ilbo*, June 18, 2009) Lee and Obama agreed on the need for dialogue with North Korea, but it appears their focus was not on dialogue. Blue House Spokesman Lee Dong-kwan said that South Korea is now in a sanctions mode. A government official also said that because North Korea could take additional measures to worsen the situation, it was too early to discuss long-term strategies. Both leaders have said they will not reward North Korea with talks, so experts predict that it will not be easy for either to immediately play the negotiation card. The dominant view among analysts is that despite the hardline tone of the two leaders, the U.S. would progress through quiet talks with North Korea on matters concerning the two U.S. women journalists being held in North Korea, and diplomatic itineraries including U.S. and China talks scheduled for next month and the ASEAN Regional Forum in Singapore. One official who served on the Cheong Wa Dae foreign policy and security team said although the Lee administration is playing the villain in North Korea policy, the U.S. seems to be concerned that South Korea's hard line could become a burden for the U.S. if it attempts to engage in bilateral dialogue with North Korea. (*Hankyore*, "Lee's Proposal for Five Party Talks May Shake up Six-Party Talks," June 17, 2009)

The first-ever summit-level affirmation of the U.S. nuclear umbrella over South Korea "should be seen as a warning to North Korea," Won Tae-jae, spokesman for South Korea's Ministry of National Defense, said in a briefing. But experts said it may carry the risk of giving North Korea -- which conducted its second nuclear test last month -- a signal that its self-declared status as a nuclear weapons state is being taken more seriously than ever. In a joint statement between the leaders of the two countries, the United States pledged "the continuing commitment of extended deterrence, including the U.S. nuclear umbrella," for South Korea. Since 2006, South Korea has been under the deterrent, which guarantees the deployment of strategic weapons, such as long-range bombers and ballistic missiles, against North Korea if necessary. Its key component is the U.S. nuclear umbrella over South Korea, which went public in 1992, a year after the U.S. declared it had withdrawn its nuclear weapons from the Korean

Peninsula. (Sam Kim, "U.S.-S. Korea Summit Carries Mixed Message on N. Korea," Yonhap, June 17, 2009)

6/17/09 Japan's Cabinet approved new sanctions against North Korea that reinforce previous restrictions on financial and people exchanges with the hermit state. The measures, which follow the adoption of a U.N. Security Council resolution last week, prohibit all Japanese exports to North Korea and restrict foreign nationals held liable for breaching the sanctions from entering Japan. (*Japan Times*, "Tokyo Bolsters Sanctions on Pyongyang," June 17, 2009)

6/?/09 Okada Katsuya, DPJ sec-gen., interview: "I believe that Japan should advocate the following three points: that the states possessing nuclear weapons, the United States in particular, should declare no first use; formation of an agreement that it is illegal to use nuclear weapons against countries without nuclear weapons; and, partly overlapping with these two, the initiative of a Northeast Asian Nuclear Weapon-Free Zone. If the United States declares no first use, that does not mean that Japan will be completely outside the nuclear umbrella. In a situation where nuclear weapons actually exist in this world, it would be natural that people feel worried about the nuclear umbrella going away. I talk about going out of the nuclear umbrella halfway, where first use would not be exercised, but in the unfortunate case that Japan suffers a nuclear attack, we are not ruling out a nuclear response to it. We have such an assurance ultimately. So please understand that I am not just talking about an idealistic theory." He added, "We do not necessarily need a nuclear umbrella against the nuclear threat of North Korea. I think conventional weapons are enough to deal with it." (Okada Katsuya, "Interview: We Should Develop a Security Policy As Japan Inside," *Sekai*, July 2009, pp. 138-43, quoted in Takubo Masa, "The Role of Nuclear Weapons: Japan, the U.S. and 'Sole Purpose,'" *Arms Control Today*, November 2009, p.18)

6/18/09 The Financial Crimes Enforcement Network (FinCEN) of the U.S. Treasury Department issued an advisory for all U.S. financial institutions to take risk mitigation measures against the possibility that the DPRK would use deceptive financial practices to hide illicit conduct. Specifically, FinCEN noted that with respect to correspondent accounts held for North Korean financial institutions, as well as their foreign branches and subsidiaries, there is now an increased likelihood that such vehicles may be used to hide illicit conduct and related financial proceeds in an attempt to circumvent existing sanctions, particularly those of U.N. Resolution 1874. FinCEN advised financial institutions to apply enhanced scrutiny to any such correspondent accounts and to avoid providing financial services for North Korea's procurement of luxury goods. In order to assist in applying enhanced scrutiny, FinCEN supplied a list of North Korean banks. It also encouraged financial institutions worldwide to take similar precautions. (Financial Crimes Enforcement Network, U.S. Department of the Treasury, *North Korea Government Agencies' and Front Companies' Involvement in Illicit Financial Activities*, Advisory FIN 2009-A002, Washington, DC, June 18, 2009)

For Kim Jong-il's birthday, North Korean insurance managers prepared a special gift. In Singapore, they stuffed \$20 million in cash into two heavy-duty bags and sent them, via Beijing, to their leader in Pyongyang, said Kim Kwang Jin, who worked as a manager for



Korea National Insurance Corp., a state-owned monopoly. The \$20 million birthday present and the gratitude of its recipient, who is known as the Dear Leader, were annual highlights of a sophisticated global insurance fraud that North Korea has concocted to provide its communist leadership with hard currency, said Kim, who spent five years as an executive of the state insurance company in Pyongyang and worked for a year at its banking subsidiary in Singapore before defecting to South Korea. "This money helps keep Kim Jong Il in power at a time he is engaged in nuclear brinksmanship," said David L. Asher, who supervised a State Department unit that attempted to track various illegal activities by North Korea during the Bush administration. "This is the gift that keeps on giving. It has become one of the North's largest illicit revenue generators." In interviews and court documents, Western insurers, U.S. officials and defectors such as Kim said the impoverished and isolated North Korean government has collected hundreds of millions of dollars from some of the world's largest insurance companies on large and suspicious claims for transportation accidents, factory fires, flood damage and other alleged disasters. Still, recent attempts by international insurers to overturn North Korea's claims have failed in British courts. For years, the U.S. government and law enforcement agencies around the world have documented what they describe as state-sponsored criminality in North Korea. They have linked the North to illegal manufacturing and trafficking of drugs ranging from heroin to Viagra, as well as to expert counterfeiting of \$100 bills and the production of high-quality counterfeit cigarettes. Much less has been disclosed about North Korea's international insurance claims, in part because they have been cloaked in legal settlements by firms with no interest in highlighting their losses. "The exact scale of the fraud is hard to determine . . . because the insurance industry has been so gullible," Asher said. North Korean insurance fraud "was absolutely something I should have been looking into more when I was running the [State Department's] illicit activities initiative," he added. After his defection in 2003, Kim moved to Seoul, where his insider expertise on the upper reaches of the North Korean government helped him become a senior fellow at the Institute for National Security Strategy, a government-funded think tank that focuses on intelligence matters. This year, Kim, who speaks fluent English, moved with his wife and child to the Washington area, where he has a one-year contract as a consultant to the U.S. Committee for Human Rights in North Korea, a nonprofit group that focuses attention on concentration camps and other human rights abuses in the North. Its executive director, Chuck Downs, said that after Kim was identified in the London court as a possible witness against North Korea, the committee felt he would be at risk of retaliation by North Korean agents if he continued living in Seoul. High-value defectors often receive police protection in South Korea as a precaution against kidnapping and assassination. The money, he added, was delivered to an entity called Bureau 39 of the Korean Workers' Party Central Committee. It was created by Kim Jong Il in the 1970s to collect hard currency and give him an independent power base, according to defectors, Seoul-based analysts and published reports. These sources agree that Bureau 39 spends foreign currency on luxury goods for the North Korean elite, components for missiles and other weapons programs. (Blaine Harden, "Global Insurance Fraud by North Korea Outlined," *Washington Post*, June 18, 2009, p. A-1)

A long-range ballistic missile North Korea is believed to have been preparing to launch from its Tongchang-ri facility in the country's northwest highly likely will be launched

toward Hawaii, which would take it over Aomori Prefecture, according to analysis by the Defense Ministry. Sources said the ministry also believes such a launch will be made as soon as early next month. According to the ministry, it has been confirmed that North Korea has missile launch bases in Kitteryong near the military demarcation line with South Korea and at Tongchang-ri near the Yellow Sea, in addition to a base at Musudan-ri in northeastern North Korea, where a long-range missile was launched on April 5. At the Tongchang-ri facility, either a Taepodong-2 missile or an upgraded Taepodong-2 was believed to have been brought from a missile manufacturing facility near Pyongyang on May 30, according to the sources. Based on the assumption that this latest missile is a two- or three-stage type and has capability equal or superior to the long-range ballistic missile North Korea launched in April, the Defense Ministry predicted the possibility of a launch toward Hawaii, with a launch toward Okinawa Prefecture and Guam also seen a possibility. If it took the Okinawan path, when the first-stage booster detaches it could fall in the vicinity of a Chinese coastal area and might anger China. In the case of the Guam path, the missile must overfly South Korea and Japan's Chugoku and Shikoku regions, which means the booster would be dumped onto a land area. Therefore, the ministry sees both possibilities as quite low, according to the sources. In case of the Hawaii route, the booster could be dumped into the Sea of Japan. If such a long-range test launch was successful, North Korea would be able to pose a great military threat to the United States, which until now has not regarded North Korean missiles as a threat to North America or Hawaii. Therefore, the ministry concluded the Hawaii route is most probable of the three scenarios, the sources said. However, while the distance from North Korea to the main islands of Hawaii is about 7,000 kilometers, an upgraded Taepodong-2 only has a range of 4,000 to 6,500 kilometers. The ministry believes even if the missile took the most direct route over Aomori Prefecture, it would not reach the main Hawaiian Islands, the sources said. Though U.S. intelligence satellite images showed a missile launch pad had already been set up at the Tongchang-ri base, it takes more than 10 days to assemble and fuel a missile before launch, according to the sources. The ministry said it believes North Korea is likely to launch a missile sometime between July 4 and 8, because the 1996 launch of the Taepodong-2 missile took place on the July 4 U.S. Independence Day (July 5 Japan time) and July 8 falls on the anniversary of the 1994 death of former North Korean leader Kim Il Sung. It came to light Wednesday that North Korea may have transported a missile to a launch site in Musudan-ri. At the missile launch base in Kitteryong on the country's eastern coast, preparations are under way to launch a Rodong missile, which can target all of Japan, as well as a new medium-range missile, according to sources. Therefore, the ministry is considering starting preparations to intercept missiles based on the possibility North Korea launches missiles from all three bases simultaneously. (*Yomiuri Shimbun*, "DPRK 'May Launch Missile toward Hawaii'/Govt. Studying Interception over Aomori," June 18, 2009)

Defense Secretary Robert Gates announced that he had ordered the military to deploy mobile, ground-based interceptors to Hawaii. Gates also ordered seaborne radar into the waters off Hawaii to provide detailed information to track and attack any North Korean missile. Admiral Mike Mullen, chairman of the Joint Chiefs of Staff declined at the news conference to confirm reports that the military was tracking a North Korean flagged cargo ship that might be hauling weapons, missile parts or even fissile material

prohibited under international law. (Thom Shanker, "U.S. Fortifies Hawaii's Defenses against N. Korean Arms," *New York Times*, June 19, 2009, p. A-8)

Sens. Dianne Feinstein and Barbara Boxer along with seven of their Senate colleagues are calling on the White House to strongly consider sending "high-level envoys" to North Korea to try to free two American journalists. The letter sent to the White House says while the United States has differences with North Korea, the detention of Euna Lee and Laura Ling is "a humanitarian emergency that demands an urgent response." (Associated Press, "White House Urged to Consider Envoys for N. Korea," *San Jose Mercury News*, June 18, 2009)

6/19/09

South and North Korea failed to agree on wage and rent hikes demanded by Pyongyang at a joint industrial park, but left room for negotiation by scheduling the next meeting, officials said. In the talks held for two hours and 40 minutes, North Korea reiterated the demands it presented at the previous round on June 11, Unification Ministry spokesman Chun Hae-sung said. The North wants South Korean firms to quadruple monthly wages for its workers to US\$300 from the current \$70-80. The businesses paid \$26.8 million in wages alone last year to the North Korean government. Pyongyang also seeks to raise the 50-year rental fee for land to \$500 million. South Korean developers already paid \$16 million when the park opened in 2004. Seoul rejected North Korean demands as "unacceptable," as they override existing contracts, officials said. North Korea gave no word about the fate of the Hyundai Asan Corp. employee, identified only by his family name of Yu, and refused Seoul's request to deliver a letter from his family, Kim said. Yu was detained at the joint park on March 30 on accusations of "slandering" the North's political system. "We strongly urged the release of the detained worker and demanded access to him," Kim said. "But the North's delegation only said there was no problem with him and told us to convey its word to Mr. Yu's family." (Kim Hyun, "Koreas End Talks without Agreement, to Meet Again Next month," *Yonhap*, June 19, 2009) North Korea indicated during the second government-level talks that it was willing to completely lift restrictions on inter-Korean boarder-crossings imposed last December in a bid to help solve problems at companies operating in the Gaeseong Industrial Complex. Meanwhile, the South Korean delegation called for the prompt release of a worker detained in the North and suggested making the industrial park an internationally competitive complex. "Through the 40-minute key note speech, we proposed having a joint inspection of industrial complexes in third countries, starting from July," Unification Ministry spokesman Chun Hae-sung told reporters. "The first destinations would be Asian countries such as China and Vietnam, the second areas would be central Asia and the final places would be America," he added. (Kim Sue-Young, "North Korea Intends to Lift Border-Crossing Restrictions," *Korea Times*, June 19, 2009) In a 40-minute speech, the South Korean delegation presented three main principles for the development of the industrial complex, Kim said. "The first is that the two Koreas strictly abide to inter-Korean agreements, contracts and rules, and the second is that the development of the complex should be based on economic fundamentals, and is unaffected by political or military situations," Kim said. "The third is that the two sides maintain a future-oriented vision and will develop (it) into an internationally competitive industrial complex." (Kim So-hyun, "N.K. Offers to Lift Border Limits," *Korea Herald*, June 19, 2009)

6/21/09

A North Korean ship shadowed by a U.S. destroyer and possibly heading toward Myanmar could pose the first test of how far the United States and its allies will go under a new United Nations resolution to stop the North's military shipments. The United States began tracking the ship, the 2,000-ton freighter Kang Nam, after it left Nampo, a port near Pyongyang, the North's capital, on June 17. Pentagon officials have said they suspect the ship is carrying prohibited materials, but they have declined to say where it may be headed. A South Korean cable news network, YTN, today quoted an unidentified intelligence source as saying that Myanmar was the destination of the freighter, which may be carrying missile components. Questioned about the North's behavior, President Obama said in a taped interview with CBS News to be broadcast June 22 that "this administration – and our military – is fully prepared for any contingencies." Obama would not specify if he meant the United States would respond militarily to a North Korean missile launching aimed at Hawaii. But he said, "I do want to give assurances to the American people that the T's are crossed and the I's are dotted in terms of what might happen." (Choe Sang-hun, "Test Looms as U.S. Tracks North Korean Freighter Said to Be Heading toward Myanmar," *New York Times*, June 22, 2009, p. A-8)

The United States is trying to get China on side in enforcing sanctions under the latest UN Security Council resolution against North Korea. Washington is contemplating sending former Secretary of State Henry Kissinger, who has close ties to China, or someone of similar caliber. It feels Beijing is the key to ensuring the sanctions are effective since China accounts for 70 percent of North Korea's trade. "The U.S. wants to show that international cooperation can enforce strong sanctions against North Korea even for the purpose of bringing the North back to the negotiation table later," a U.S. official said. (*Chosun Ilbo*, "U.S. Hoping to Get China on Side over N. Korea," June 22, 2009) "Kissinger has a wide web of human networks with senior Chinese officials. If he visits there, he will have a chance to talk about the North Korean issue," a source said. "But it does not necessarily mean that he is acting a special envoy of President Barack Obama or Secretary of State Hillary Clinton." FM ministry spokesman Moon Tae-young said in a press briefing, "Wi Sung-lac, special representative for Korean Peninsula peace and security affairs, will leave for Russia on Tuesday for consultations with Alexei Borodavkin, head of Russia's delegation to the six-way talks (on North Korea's nuclear program)." (Lee Chi-dong, "S. Korea, Russia to Discuss N. Korean Nuclear Problem," June 22, 2009)

6/24/09

In a sign that it was close to firing more missiles, North Korea warned Japan to stay off parts of the North's eastern coastal waters for 16 days starting tomorrow so that it could conduct military exercises. The Japan Coast Guard said North Korea "clearly stated that the purpose of the warning would be a military exercise." According to the Japan Coast Guard, North Korea alerted Japan that its military exercises would take place off Wonsan on its east coast between June 25 and July 10, between 8 a.m. and 8 p.m. Japanese ships have been warned not to travel in an area measuring 110 by 450 kilometers (68 by 279 miles) at its widest points on the east coast. The Japan Coast Guard said it also received two North Korean radio warnings this month about drills off North Korean coasts. Before its rocket launch on April 5, North Korea issued alerts through international organizations and designated dangerous areas with detailed

coordinates. The United States is also gearing up for what could be a North Korean missile launch around July 4, the Independence Day holiday for Americans. President Barack Obama said in an interview that the U.S. military was "fully prepared for any contingencies." (Yoo Jee-ho, "U.S. Prepares for July 4<sup>th</sup> Missile," *JoongAng Ilbo*, July 24, 2009)

U.S. House Appropriations Committee cut all \$95 million in energy aid for North Korea from FY2010 budget. (Honma Keiichi, "U.S. House Panel Cuts DPRK Energy Aid," *Asahi Shimbun*, June 26, 2009)

6/25/09

Behaving badly hasn't hurt the bottom line in North Korea. Thanks to China, foreign trade has soared since Kim Jong Il's government began detonating nuclear bombs nearly three years ago. As U.N. sanctions mount and business between the two Koreas fizzles, North Korea's trade with China is setting new records. It rose 41 percent last year, while China's share of the North's overseas trade mushroomed to 73 percent. Increasingly, revenue from these buyers is going directly to the North Korean military, which has taken control of exports of coal, metals and other key economic sectors, according to the Seoul-based Institute for Far Eastern Studies. By funneling hard currency to the military, Chinese enterprises seem to be insulating the confrontational core of Kim's government from the international consequences of its behavior. "To the extent that these transactions are increasingly controlled by government entities, particularly the military, North Korea's response to sanctions and diplomatic concerns are almost surely diminished," said Marcus Noland, a North Korea expert at the Washington-based Peterson Institute for International Economics. In Pyongyang, meanwhile, the metals industry has become "the mainstay of our independent socialist economy," Kim's government declared in a New Year's Day statement, which also emphasized the "military first" priority of all government actions. According to the U.S. Geological Survey, North Korea's primary mineral exports to China are coal for smelting, iron ore, zinc, lead and magnesite, which is essential for making lightweight metals for electronics. As North Korea's trade with China grows, so does the hostility of Kim's government toward homegrown free-market reform. "The leadership has reverted to a more control-oriented -- even Stalinist -- approach to economic policy," Nolan and Stephan Haggard wrote in a paper published this month. After declining throughout last year, South Korea's trade with the North fell 25 percent in the first four months of this year. Japan has imposed new sanctions that will cut its already minimal trade to nearly zero. The United States has been the single largest donor of food aid to North Korea since the famine years, and last year it signed an agreement with Pyongyang to supply 500,000 tons of food aid. But North Korea later canceled the aid agreement, in part because it did not want foreign-born Korean speakers to supervise where the food was distributed. Widespread food shortages, however, have not gone away. About 37 percent of the population will require food assistance this year, according to a U.N. assessment. Aid officials agree that North Korea's trade with China has done little to alleviate chronic hunger, especially among those considered disloyal to the government. (Blaine Harden, "China Trade Helps Shield N. Korea," *Washington Post*, June 27, 2009)

6/26/09

The White House is forming an interagency team to coordinate sanctions efforts against North Korea with other nations, senior administration officials said. The team will be led by Philip S. Goldberg, a former ambassador to Bolivia. "There is a broad consensus about the need to have a focused and engaged effort to see that these sanctions are implemented . . . and that we're sharing information with each other," one official said. The officials said they are hoping the group -- with representatives from the State Department, the White House, the National Security Agency, the Treasury Department and others -- will help "shine a spotlight" on Pyongyang's actions. "We wanted somebody who woke up every morning and thought about nothing but sanctions implementation," one official said. "It's a huge difference when you have somebody who isn't worried about any of the other aspects of this." (Michael D. Shear, "U.S. Interagency Team to Focus on Sanctions against N. Korea," *Washington Post*, June 27, 2009) Goldberg's primary task, another administration official said, would be "to make sure there is broader interagency coordination," not just between the State Department and the Treasury, but also the Pentagon, the Commerce Department and the Department of Homeland Security. Goldberg recently served as ambassador to Bolivia. He was expelled last fall by President Evo Morales, who accused him of supporting rebellious groups. In the 1990s, he was an adviser to Richard Holbrook on the Dayton peace negotiations to end the war in Bosnia. (Mark Landler, "Envoy to Coordinate North Korea Sanctions," *New York Times*, June 27, 2009)

PM Aso Taro and President Lee Myung-bak met in Tokyo. At a news conference after their talks, Lee said the representatives of the five nations would discuss "how to convince North Korea to give up its nuclear ambitions within the framework of the six-party talks," Lee said. While affirming Japan's commitment to the six-party talks, Aso added, "Thought should be given to holding a meeting of the five nations in order to move the six-party talks forward." Although South Korea has proposed such talks, China has raised concern such a move would only further isolate North Korea. (Makino Yoshihiro and Tabushi Jun, "Aso, Lee Seek Resumption of Six-Party Talks," *Asahi Shimbun*, June 29, 2009) Kyodo News reported today that Japan's Vice FM Yabunaka Mitoji said in a press conference that he didn't foresee any possibility of the five-party dialogue. "If I were asked whether there is any concrete prospect for the realization [of the five-party talks], we are not in such a situation," Yabunaka was quoted as saying. (Yoo Jee-ho, "Doubts Cast on proposed 5-Party Talks," *JoongAng Ilbo*, July 1, 2009)

6/30/09

The Obama administration began a campaign to curtail North Korea's ability to finance its trade in missiles and nuclear materials, with the Treasury and State Departments announcing actions against two North Korean companies. Ambassador Philip S. Goldberg, who was named last week as coordinator for implementing the U.N. resolution, left for China for two days of meetings with senior officials, State Department spokesman Ian Kelly said. The U.S. actions announced yesterday are unilateral steps that aim to cut off the companies from the global financial system by freezing their U.S. assets and prohibiting Americans from doing business with the firms. The Treasury Department targeted Hong Kong Electronics, located on Kish Island, Iran, alleging that the company "has transferred millions of dollars of proliferation-related funds" to North Korea's Tanchon Commercial Bank and Korea Mining Development Trading Corp., both of which have been the subjects of earlier U.S. and U.N. sanctions. Treasury said

Hong Kong Electronics "has also facilitated the movement of money from Iran to North Korea" on behalf of Korea Mining, suspected to be an arms dealer and main exporter of goods and equipment related to ballistic missiles and conventional weapons. Tanchon, a commercial bank based in Pyongyang, is the financial arm of Korea Mining and is thought to have helped finance the sales of ballistic missiles from Korea Mining to Iran's Shahid Hemmat Industrial Group, which developed liquid-fueled missiles. "North Korea uses front companies like Hong Kong Electronics and a range of other deceptive practices to obscure the true nature of its financial dealings, making it nearly impossible for responsible banks and governments to distinguish legitimate from illegitimate North Korean transactions," Levey said in a statement. The State Department said it had moved against Namchongang Trading Corp., also based in Pyongyang, because it had been "involved in the purchase of aluminum tubes and other equipment specifically suitable for a uranium enrichment program since the late 1990s." The Washington Post, in reports in 2003 and last year, documented how the company, also known as NCG, was a key intermediary in North Korea's efforts to acquire the materials for a uranium enrichment program and the country's building of a suspected nuclear reactor in Syria that Israeli jets destroyed in 2007. (Glenn Kessler, "U.S. Targets Firms Tied to N. Korea's Arms Trade," *Washington Post*, July 1, 2009) The Obama administration is preparing to wield broad financial pressure to try to force North Korea to dial back its weapons program, building on strategies former President George W. Bush employed, but then unwound. The Treasury Department is taking a leading role and will work through international banking channels to try to restrict funds to 17 North Korean banks and companies that U.S. officials say are central players in Pyongyang's nuclear and weapons trade. These firms serve as a financial lifeline to leader Kim Jong Il, his family and ruling circle: Amroggang Development Bank, Bank of East Land, Central Bank of the Democratic People's Republic of Korea, Credit Bank of Korea, Dae-Dong Credit Bank, First Credit Bank, Foreign Trade Bank of the Democratic People's Republic of Korea, Hana Banking Corporation Ltd., The International Industrial Development Bank, Korea Joint Bank (KBJ), Korea Daesong Bank, Korea Kwangson Banking Corp., Korea United Development Bank, Koryo Commercial Bank Ltd., Koryo Credit Development Bank, North East Asia Bank, Tanchon Commercial Bank.

"There are some very powerful provisions" in the new U.N. resolution, said a senior U.S. official working on the effort. "It calls for the prevention of all financial services that could contribute to North Korea's...weapons of mass destruction-related programs." The Treasury Department's 2005 blacklisting of Macau's Banco Delta Asia, which held a large number of North Korea accounts, is viewed today as a model for how the private sector can punish rogue states. The Treasury didn't initially ban U.S. firms from engaging the bank, but simply warned that such transactions risked skirting U.S. law. The result was a run on the bank's accounts and a contagion effect that nearly froze North Korea out of the international banking system in 2006, said current and former U.S. officials. Bush eventually eased the clampdown as an incentive for North Korea pushing ahead with disarmament talks. Senior Obama administration officials say this decision was a mistake that eased pressure on Pyongyang before it took irreversible steps to dismantle its nuclear program. They also said it reaffirmed Pyongyang's belief that it could use international diplomacy to win economic concessions from the U.S. "We want to get out of the mindset where the North Koreans are conditioned that these

are somehow temporary measures that we'll renegotiate with them at various occasions," said a senior Obama administration official involved in the diplomacy. Two of the architects of Mr. Bush's action against Banco Delta Asia, the Treasury Department's Stuart Levey and Daniel Glaser, are overseeing President Barack Obama's financial clampdown on North Korea, said U.S. officials. China will be the key to any successful action against North Korea, said current and former U.S. officials. Beijing has proven wary of participating in U.S. actions aimed at interdicting North Korean ships believed to be ferrying weapons or contraband. But China has been willing in the past to constrict Pyongyang's banking activities, particularly when they risked infecting Beijing's own financial system. U.S. officials said China cooperated in blacklisting Banco Delta Asia, in part, because they feared any scrutiny of Macau's financial system could hurt Beijing and the operations. (Jay Solomon, "U.S. Pursues Financial Leverage over North Korea," *Wall Street Journal*, June 30, 2009) The U.S. Department of State today targeted North Korea's nuclear proliferation network by designating Namchongang Trading Corporation (NCG) under Executive Order 13382. E.O. 13382 is an authority aimed at freezing the assets of proliferators of weapons of mass destruction and their supporters, and at isolating them from the U.S. financial and commercial systems. Entities designated under E.O. 13382 are prohibited from engaging in all transactions with any U.S. person and are subject to a U.S. asset freeze. NCG is a North Korean nuclear-related company in Pyongyang. It has been involved in the purchase of aluminum tubes and other equipment specifically suitable for a uranium enrichment program since the late 1990s. (U.S. Department of State, Office of the Spokesman, State Designation of North Korean Nuclear Entity," June 30, 2009)

A North Korean cargo ship Kang Nam tracked by the U.S. Navy on suspicion of carrying banned arms cargo may be returning home, a U.S. official said, as Washington cracks down on companies helping Pyongyang export missile systems. North Korea will find it increasingly difficult to trade arms due to U.S. moves and U.N. sanctions to punish it for a May nuclear test, but those measures will not end the weapons exports the destitute state relies on for foreign currency, experts said. "Of course, it raises the costs of doing the arms and weapons of mass destruction business, but it won't stop them from trying to circumvent the sanctions," said Daniel Pinkston with the International Crisis Group in Seoul. A U.S. official said today the Kang Nam was heading back in the direction of North Korea after turning around within the last few days. "We've no idea where it's going," the official said. "The U.S. didn't do anything to make it turn around." The ship was suspected of carrying missile parts and had been headed toward Myanmar, South Korean broadcaster YTN had quoted an intelligence source as saying. North Korea and Myanmar have drawn closer in recent years, perhaps deepening their affinity as the world moves to increasingly isolate them, analysts said. On June 29 Japanese police arrested three people, including one North Korean resident of Japan, on suspicion of trying to export to Myanmar a magnetic measuring device that could be used in missile construction, the Yomiuri newspaper said. Tightening the screws further, the U.S. Treasury and State Departments said they had targeted North Korea's Namchongang Trading Corp under an executive order that would freeze their U.S. assets and bar U.S. firms from dealing with them. "North Korea uses front companies like Hong Kong Electronics and a range of other deceptive practices to obscure the true nature of its financial dealings, making it nearly impossible for responsible banks and governments



to distinguish legitimate from illegitimate North Korean transactions,” said Stuart Levey, undersecretary of the treasury for terrorism and financial intelligence. (Jon Herskovitz, “Suspected N. Korea Arms Ship Changes Course,” Reuters, July 1, 2009)

Inside the White House, they are beginning to call it “The Cruise to Nowhere.” For more than two weeks now, White House officials have been receiving frequent updates on a rusting North Korean ship, the Kang Nam 1, as it makes its way dead-slow across the South China Sea. Earlier this month, Mr. Obama’s aides thought the aging hulk – with its long rap sheet for surreptitious deliveries of missiles and arms – would be the first test of a U.N. Security Council resolution giving countries the right to hail suspect shipments, and order them to a nearby port for inspection. But now some top officials in the Obama administration are beginning to wonder whether Kim Jong-il, the North Korean leader, ordered the Kang Nam 1 out on a fishing expedition – in hopes that a new American president will be his first catch. “The whole thing just doesn’t add up,” said one senior administration official who has been tracking the cargo ship’s lazy summer journey. “My worry is that we make a big demand about seeing the cargo, and then there’s a tense standoff, and when it’s all over we discover that old man Kim set us up to look like George Bush searching for nonexistent W.M.D.” Are the North Koreans really that wily? Maybe so. With the world on high alert to intercept North Korean shipments – maybe a load of missiles like it sent to Yemen a few years back, or reactor parts like those that helped Syria start a secret program – imagine the headlines if the United States and its allies chased after a ship full of innocuous cargo. Inside the administration, officials ranging from Vice President Joe Biden to the deputy secretary of state, James Steinberg, have cautioned the administration to go slow. The Navy seems to need no convincing. It has kept the U.S.S. John McCain – named for the senator’s father and grandfather – well beyond the horizon, so there is no sense of a low-speed chase at sea. Pentagon officials are clearly not eager to confront the Kang Nam 1. The intelligence about what is on board is typically murky. Some say they suspect small arms, which are banned by the U.N. resolution but hardly a major threat. Members of Obama’s team who served in the Clinton administration remember past embarrassments, including the interception of a Chinese ship suspected of carrying chemical precursors in the early 1990s. When the ship was finally cornered, the cargo turned out to be benign. Obama’s top aides say they are acutely aware of the dangers if the same happened with the Kang Nam 1. Whatever momentum the administration has created to confront the North Koreans would be lost if the first intercepted ship was carrying sea bass, or Ping-Pong balls. But the Kang Nam 1 is a test of whether United Nations sanctions have some teeth. And in a bigger sense the caution about intercepting the ship reflects a bigger concern about going about sanctions in the right way – a way that keeps the allies and other nations on board. Obama is eager to demonstrate, his aides say, that he is not Bush and will not stretch the authorities granted by the Security Council. So American officials say they have no intention of boarding the Kang Nam 1 or any other North Korean-flagged ship on the high seas, a step the North has warned it would consider an act of war. They have been telling members of Congress that this is not the Cuban Missile Crisis – it is an effort to bring the Chinese and the Russians aboard for gradually escalating sanctions. (David E. Sanger, *White House Squirms over North Korean Ship*,” *International Herald Tribune*, July 2, 2009, p. 5)

In June 2009, Japan arrested three individuals for attempting to illegally export dual-use equipment to Myanmar via Malaysia, under the direction of a company associated with illicit procurement for North Korean military programs. (Mari Yamaguchi, "Japan Holds 3 Accused of Trading for N. Korea," Associated Press. June 30, 2009) The equipment intercepted before it made its way to Myanmar was a magnetometer, which measures magnetic fields. In addition to legitimate uses in archaeological and geophysical sciences, a magnetometer can be employed in ballistic missile guidance and control systems. This item is controlled under Japan's "catch-all" regulations, which ban the export of dual-use items for military applications in countries such as North Korea or Myanmar. Japanese officials seized the item in January 2009 and launched an investigation which later led to the arrests. This case suggests that North Korea is either helping Myanmar develop its own ballistic missile capabilities or using it as a turntable to route items to North Korea or another country. The three individuals, one of North Korean nationality and two of Japanese nationality, were the heads of three separate Japanese entities: Li Gyeong Ho, a North Korean national was president of the Toko Boeki trading company; Hirohiko Muto was president of Taikyo Sangyo trading company (internet searches indicate this may be a clothing company); and Miaki Katsuki, was president of Riken Denshi Company. Riken Denshi was the manufacturer of the dual-use magnetometers. (*Yomiuri Shimbun*, "3 Held over Export Bid of DPRK Missile Know-How to Myanmar," June 30, 2009) The company is headquartered in Hong Kong. New East International Trading also has a Pyongyang office, which is flagged by watch lists of the Japanese Ministry of Economy, Trade, and Industry (METI) for its involvement in illicit procurement for North Korean military programs. The original order for the equipment came from the Beijing office of New East International Trading, Ltd., which reportedly operates under the direction of North Korea. (David Albright, Paul Brannan and Andrea Scheel, "Smugglers Assist North Korea-Directed Illicit Trade to Myanmar," *ISIS Report*, July 14, 2009)

7/1/09

Robert King, who has been designated as the Barack Obama administration's North Korea Human Rights Special Envoy, was chief secretary to former House Foreign Relations Committee chairman Tom Lantos. King assisted Lantos for 25 years until Lantos' death in February last year and participated in foreign policy issues at the House of Representatives. (*Chosun Ilbo*, "Who Is the New North Korea Human Rights Envoy?" July 2, 2009)

Congressional Research Service: North Korea's state trading companies are key vehicles for transferring WMD and WMD technology to other countries and for transmitting the foreign exchange earnings back to Pyongyang. The trading companies conduct these transactions through accounts maintained in banks in numerous countries around the world. The trading companies are particularly active in China and undoubtedly have accounts throughout the Chinese banking system. In order to shut down these financial transactions, governments and banks in a number of countries will have to freeze these bank accounts. However, they face the dilemma that the trading companies conduct other transactions through the same accounts. These include the financing of legitimate commerce but also laundering money acquired through North Korea's smuggling of counterfeit products, including counterfeit U.S. dollars and U.S. products. Neither of these activities are banned by Resolution 1874. **Governments will have to interpret**

**the financial sanctions ban of the resolution liberally in order to apply sanctions to the bank accounts of the trading corporations.** Obama Administration officials have indicated that they are urging other governments to apply such a liberal interpretation to the activities of the trading companies. ... The specific provisions set out in Resolution 1874 appear to give the United States and allies the means to gain access to North Korean ships and thus shut down WMD-related ship traffic. This will be dependent on a number of countries cooperating with the United States, particularly in applying the resolution's provision for searching North Korean ships in their ports and denying provisions of fuel and supplies to North Korean ships that refuse to be searched. China is particularly important, since North Korean ships frequently visit Chinese ports. Singapore, Indonesia, and Malaysia would be important with respect to North Korean ships that seek to pass through the Singapore and Malacca Straits that connect the Pacific and Indian Ocean, the route to the Middle East and Burma. Middle East-bound ships also stop at ports in India and Pakistan. India has searched North Korean ships in the past. Pakistan's cooperation may be more uncertain, since it has had close relations with North Korea in past years, including purchases of North Korean missiles and missile technology. ...Resolution 1874 is vague in how its air cargo provisions are to be implemented, in contrast to the specific procedures set forth regarding inspecting sea-borne cargo. However, many experts believe that North Korea uses air traffic much more than sea traffic in order to transfer and exchange WMDs, WMD technology, and WMD scientists and technicians. ... Resolution 1874 reaffirmed Resolution 1718 of October 2006, including the ban on the export of luxury goods to North Korea. Luxury consumer goods are a key benefit to North Korea's elite, the core support group of the Kim Jong-il regime. In the past, the major sources of luxury goods have been Europe and China. Chinese traders report a high demand for Chinese consumer goods by the North Korean elite. **An analysis of Chinese trade statistics for 2008 indicates that Chinese exports of luxury consumer goods to North Korea was between \$100 million and \$160 million, about 5%-8% of China's total 2008 exports of \$2 billion to North Korea.** Moreover, most of China's exports are reportedly **financed by Chinese trade credits to North Korea**, which have generous long-term repayment provisions. In short, there is evidence that a sizeable portion of Chinese goods come into North Korea largely cost-free to the North Korean government. **Thus, this sanction will not be enforced unless China's begins to deny North Korea these lucrative trade credits.** ...**The challenge in implementing the new U.N. economic and financial sanctions lies in separating funds and transactions that are related to the military from the normal economic and financial transactions of the country.** Even though the economy as a whole is in shambles, the military and ruling elite are able to command sufficient resources to pursue their nuclear and ballistic missile programs. For example, officials from the Korean Peoples Army (KPA) reportedly have been authorized to acquire any material, resource or item from other commercial projects for use in North Korea's nuclear programs.<sup>33</sup> The Army also has reportedly taken over some

trading

companies. ... As for loans, the extent of borrowing from western commercial banks by the DPRK is relatively small. In December 2008, consolidated claims on the DPRK by banks that report to the Bank for International Settlements totaled \$2.0 billion, down from a peak of \$4.2 billion in June 2008. All reporting banks with claims on North

Korean entities were from Europe, with France accounting for nearly half of the total. **These figures, however, do not include Russia or China.** How much of this lending activity is purely commercial and how much went to North Korea's prohibited activities is unknown. Also, funds are fungible. A loan to a commercial activity in one sector may free up resources that then can be used for military purposes. The potential impact of the U.N.

sanctions on this activity, therefore, is also unknown, but its upper limit would be around \$2 billion in lending from Western nations. **On the surface, therefore, financial sanctions aimed solely at the DPRK's prohibited activities are not likely to have a large monetary effect.** The total amounts of such activity are not large, and what can be attributed to nuclear or missile activity would be even smaller. (Congressional Research Service, *North Korea's Second Nuclear Test: Implications of U.N. Security Council Resolution 1874*, July 1, 2009)

7/2/09

North Korea continued to rattle its neighbors by firing four short-range missiles into waters off its east coast today. The missile tests, monitored by the South Korean government, had been widely expected, as North Korea had warned ships to avoid the east coast through July 10 because of military exercises. The four missiles were fired in the late afternoon and early evening from a base near the eastern coastal city of Wonsan, a South Korean defense spokesman told the South Korean news agency Yonhap. Other South Korean officials said the missiles splashed into the sea about 60 miles from the launch site. South Korean military officials have told news media in Seoul that the North may be preparing to launch a number of midrange missiles in coming days, perhaps to taunt the United States on its Fourth of July holiday. The United States is urging China, the North's largest trading partner, to enforce the new sanctions. While China has harshly criticized the North's recent nuclear test, it remains unclear if it will follow through on sanctions. China's trade with North Korea has soared since 2006, when the U.N. Security Council imposed sanctions against Pyongyang for its first nuclear tests. Philip Goldberg, who leads a U.S. government effort to implement the new sanctions, met in Beijing on Thursday with Chinese officials. (Blaine Harden, "North Korea Test-Fires 4 Short-Range Missiles," *Washington Post*, July 3, 2009)

President Barack Obama says the United States is trying to "keep a door open" for North Korea to return to international nuclear disarmament talks, even as Washington pursues sanctions against the North. (Associated Press, "Obama Keeps Door Open for N. Korean Talks," July 2, 2009) Q: A lot of experts think that Russia is the real obstacle to confronting North Korea or Iran in an aggressive way, the kind of aggressive way that the U.S. is advocating on the international stage. Do you agree? Obama: I don't, actually. So far what we've seen is fairly remarkable cooperation from Russia on North Korea. We've seen the same thing from China. I think the sanctions regime after the nuclear tests and the missile launches by North Korea have been robust in part because Russia and China have been willing to go further than they've been willing to go in the past. ...So, so far at least, we've seen good cooperation on these issues. Q: But you didn't get military force, for example, to board ships, the North Korean ships, in the sanctions. Wasn't Russia the obstacle? Obama: No, I think that what we saw was the most robust sanctions regime that we've ever seen with respect to North Korea. In international diplomacy, people tend to want to go in stages, and what we're seeing

right now is that implementation of the sanctions regime that was set up is going very well. If ... Q: But you think there's room for more later? Obama: **There potentially is room for more later, but keep in mind that what we're also trying to do is to keep a door open for North Korea to start acting in a responsible way; to recognize that a denuclearized Korean Peninsula is the only way that they are going to achieve the kind of commercial ties and development opportunities that can be good for their people. And we want them to know that path is still available.**" (Text of Obama's Associated Press Interview, July 2, 2009)

North-South working-level talks held. KCNA: "Taking an insincere attitude toward the working contact from its start, the south side has groundlessly turned down our proposals without any deep study of them and raised issues irrelevant to the contact, creating complexity. It went the lengths of floating even the story about the 'closure' of the KIZ and some authorities are making very inappropriate remarks that 'they would not negotiate in the same way as was done in the past.' The north side said the south side's assertion that it would not have the same dialogue as conducted in the past means it wants to have a contact for confrontation, questioning the south side what is the use of having a working contact if it is its stance. The north side urged the south side to refrain from doing such things quite contrary to the desire and expectation of the nation. ... The north side strongly chided the rude and insincere attitude of the south side as a deliberate and premeditated provocation to scuttle the working contact and took serious note of this. It declared that the fate of the working contact and the prospect of the KIZ will entirely depend on the future attitude of the south side." (KCNA, "North-South Working Contact on Revision of Contracts of KIZ Made," July 2, 2009)

7/4/09

North Korea sought payment through a bank in Malaysia for its suspected shipment of weapons to Myanmar that is being carried on a freighter tracked by the U.S. Navy, a source said. The visit by a U.S. envoy to Malaysia this weekend will focus on ways to cut off the payment transaction for the cargo from the bank in Malaysia to North Korean leader Kim Jong-il, the source said. "Kim will have a hard time collecting his money," the high-level source said, speaking strictly on condition of anonymity. The source declined to identify the bank due to diplomatic concerns. Philip Goldberg, the U.S. coordinator for the implementation of a U.N. Security Council resolution that punishes North Korea for its May 25 nuclear test, is scheduled to arrive in Malaysia tomorrow. The visit comes after the White House said late last month that U.S. President Barack Obama discussed North Korea and financial regulations with Malaysia's Prime Minister Najib Razak on phone. It also comes as North Korea's Kang Nam freighter is apparently returning home after being tracked by a U.S. Navy destroyer that suspects it is carrying cargo banned under the resolution. Resolution 1874, which reinforced sanctions that were imposed after North Korea conducted its first nuclear test in 2006, bans Pyongyang from exporting any type of weapons -- light or heavy. According to another source in Seoul, the Kang Nam is believed to be carrying small Soviet-era arms such as AK-47 rifles and RPG-7 anti-tank launchers. (Sam Kim, "N. Korea Using Malaysian Bank to Deal Weapons with Myanmar: Source," Yonhap, July 4, 2009)

7/5/09

Defying the United States on Independence Day morning, North Korea fired seven missiles into the sea off its east coast. North Korea had warned ships to avoid waters

near its east coast through July 10 because of military exercises, and the test-firing were widely predicted. The South Korean military confirmed that five missiles had been fired, but declined to say what type they were. Military officials told South Korea's Yonhap news agency that they appeared to be Scud-type missiles and described them as more dangerous than the short-range weapons fired Thursday. Government sources in Japan and South Korea told reporters that the missiles may have been Nodongs, a mid-range Scud. (Blaine Harden, "North Korea Launches 5 Missiles off the East Coast," *Washington Post*, July 4, 2009) North Korea test-launched seven ballistic missiles off its eastern coast on Saturday, South Korea said. The firing of the seventh missile that appears to be a scud type took place on the east coast at around 5:40 p.m., the Joint Chiefs of Staff in Seoul said.

"It appears to be similar to the previous six missiles fired into the East Sea earlier in the day," a JCS official said, speaking on customary condition of anonymity. North Korea fired two missiles toward the East Sea from the Gitdaeryong base near Wonsan, Gangwon Province, between 8:00 a.m. and 8:30 a.m., according to the JCS. It fired another one into the East Sea around 10:45 a.m., and three more at around noon, at 2:50 p.m. and at 4:10 p.m., respectively. "All the missiles are estimated to have a range of 400-500km," another JCS official said, declining to be named and adding the military is analyzing the exact missile models. South Korean officials did not rule out the possibility that what the North fired might have actually been Rodongs -- modifications of Scuds -- saying their flight distances may have been shortened deliberately. Rodong-type missiles have an estimated range of 1,000-1,500km and are able to reach many parts of Japan. (Yonhap, "N. Korea Fires Seven Ballistic Missiles in Violation of U.N. Resolutions," July 4, 2009) North Korea's latest missile launches appear to have been aimed at improving the missiles' accuracy, a South Korean official said Sunday, noting the launches may have provided some results. "Five out of seven missiles North Korea fired yesterday landed within the same area in the East Sea, about 420 kilometers from the launch site," the official said, asking not to be identified. "This means the accuracy of North Korean missiles is improving." The types of North Korean missiles launched Saturday were earlier said to have a CEP of 1 to 2 kilometers, according to officials at Seoul's defense ministry. All seven missiles launched Saturday flew about 400 to 500 kilometers, but Seoul earlier said the missiles appeared to be either Scud or Rodong types, which have an estimated range of 1,000 to 1,500 kilometers. The official said the North appears to have deliberately shortened the flight distance of the missiles to test their accuracy. "Two of the seven missiles fired had an unusually high velocity that makes us believe they could have been Rodong missiles that had their flight distance shortened," the official said. (Yonhap, "N. Korean Missile Launches Aimed at Improving Accuracy: Official," July 5, 2009) A South Korean government source said, "We assume that the missiles North Korea fired are two Scud-C missiles with a range of 500 km and two Rodong missiles with a range of 1,300 km -- two types that were known already -- plus three Scud extended-range missiles, no details of which were known here." The new Scud-ER with a range of 1,000 km is considered a particular threat to Japan because it is an improved version of the conventional Scuds with longer range and greater accuracy. But the missile launch appeared "aimless and without a clear message," compared with previous provocations, a South Korean security official speculated. If it was trying to attract U.S. attention on American Independence Day, the North would have fired a long-range missile that could reach the U.S. mainland, but the

only missiles fired were short- and medium-range. (*Chosun Ilbo*, "N. Korean Missile Tests "Aimless," July 6, 2009)

7/6/09

The Security Council condemned North Korea for its weekend missile launches in defiance of previous U.N. resolutions that ban such activities. "The members of the Security Council condemned and expressed grave concern at the launches, which constitute a violation of U.N. Security Council resolutions and pose a threat to regional and international security," the council's rotating president, Ambassador Ruhakana Rugunda of Uganda, said in a statement read out to reporters. The Security Council president convened a meeting at the request of Japan after North Korea fired seven ballistic missiles Saturday that fell into the Sea of Japan. In addition to reiterating its call on Pyongyang to abide by its previous resolutions, which ban the country from engaging in any ballistic missile activities, the 15-member council also called on all parties to "refrain from any action that will aggravate the security situation in the region." Meanwhile, Japanese Ambassador Takasu Yukio told reporters that the importance of the council action was that a unanimous message was sent "immediately" and "promptly." "The Security Council should not be dictated by the pace and timing of action" by North Korea, he said, referring to the North's previous firing of four short-range missiles last Thursday, over which the council did not take action. "We should be in control of the situation, and try to deal with the situation calmly," Takasu said. {Kyodo, "UNSC Condemns N. Korea over Missile Launches in Oral Statement," July 6, 2009}

On the matter of revising the ROK-U.S. Atomic Energy Agreement, South Korean FM Yu Myung-Hwan testified at a hearing of the National Assembly's Foreign Affairs, Trade and Unification Committee, "If possible, we are prepared to start the negotiation (between South Korea and the US) by the second half of the year," he added. "We will make the agreement reflect the content that maximizes the peaceful and commercial uses of nuclear power." Yu explained that South Korea is prepared to negotiate the agreement's revision, including the issue of dry processing (pyro-processing) of spent nuclear fuel. In accordance with the agreement signed in 1974, South Korea has not processed spent nuclear fuel. The Joint Declaration on Denuclearization of the Korean Peninsula, adopted by South Korea and North Korea in 1992, prohibits nuclear enrichment and reprocessing in the Korean Peninsula. It appears to some observers that there will be an intensified controversy at the negotiation table over whether pyro-processing is a technology that blocks the possibility of weaponization of nuclear material. In the wet processing process, spent nuclear fuel is dissolved in a nitric acid solution to extract plutonium. Wet processing is used in order to produce plutonium nuclear weapons. In contrast, dry processing is an electrolytic process that can be used to recover a nuclear power plant's spent fuel. The spent fuel can then be recycled as fuel for the nuclear power plant. A MOFAT official said, "Although there is no international consensus, dry processing is known as a technology that poses less of a risk in nuclear proliferation than other technologies." However, even those who allege that the ROK-US Atomic Energy Agreement should be amended think it unfit that Foreign Minister Yu has openly issued the necessity for the agreement to be amended. A nuclear expert on the condition of anonymity said, "Even from the viewpoint of establishing a negotiation strategy, it is undesirable for Minister Yu to make public the amendment at a time when the international community is sensitive to nuclear issues

posed by North Korea and Iran." (*Hankyore*, "S. Korea Prepares to Negotiate ROK-U.S. Atomic Energy Assistance Revision," July 7, 2009)

7/7/09

South Korea and the United States appeared to be taking baby steps towards allowing Seoul to develop longer-range missiles, according to remarks from a U.S. military official. Military sources yesterday confirmed that Major General Frank Tanter of the U.S. Forces Korea recently indicated that the United States is open to discussing the renegotiation of an existing missile treaty with South Korea should Seoul raise the subject. "It has a significant nuance because it mirrors a shared view that revision is necessary," said Kim Tae-woo, vice president of the Korea Institute for Defense Analyses. He added that around 750 kilometers seems to be the appropriate range for missiles in the future. "It would be far enough to put the entire North Korean territory within range, but not so long as to provoke China or other neighbors," Kim said. (Kim Ji-hyun, "U.S. Open to Revision of Missile Treaty," *Korea Herald*, July 7, 2009)

Japan reached an agreement with Washington today to set up official talks on the so-called U.S. nuclear umbrella and began scheduling the first session to be held sometime this month, according to sources close to both governments. The governments plan to hold the talks at the level of deputy directors and vice ministers of the Japanese foreign and defense ministries and the U.S. state and defense departments, the sources said. At the talks, Japan will be briefed by the U.S. side on how nuclear arms would be used in the event of a crisis situation. The two sides will then discuss U.S. President Barack Obama's proposed large-scale nuclear arms-reduction measures and a review of its nuclear deterrent capabilities, among other issues. (Iizuka Keiko, "Japan, U.S. Agree to Hold Official Talks on Nuclear Umbrella," *Yomiuri Shimbun*, July 8, 2009)

7/8/09

The National Intelligence Service (NIS) suspects North Korea or its sympathizers may have been behind the Internet attack against major South Korean Web sites of government agencies, banks and Internet portals, which was first detected yesterday evening, according to the sources who spoke on condition of anonymity. The spy agency briefed some of the lawmakers on an individual basis or showed written reports. (Yonhap, "N. Korea Suspected to Be behind Cyber Attack: Source," July 8, 2009) A wave of cyberattacks aimed at 27 American and South Korean government agencies and commercial Web sites temporarily jammed more than a third of them over the past five days, and several sites in South Korea came under renewed attack. The latest bout of attacks, which affected service on one government and six commercial Web sites in South Korea, was relatively minor, and all but one of the sites was fully functional within two hours, an official from the state-run Korea Communications Commission told The Associated Press. Officials and computer experts in the United States said Wednesday that the attacks, which began over the July 4th weekend, were unsophisticated and on a relatively small scale, and that their origins had not been determined. They said 50,000 to 65,000 computers had been commandeered by hackers and ordered to flood specific Web sites with access requests, causing them to slow or stall. Such robotic networks, or botnets, can involve more than a million computers. The Web sites of the Treasury Department, Secret Service, Federal Trade Commission and Transportation Department were all affected at some point over the weekend and into this week, The



Associated Press reported Tuesday, citing American officials. "This is not a simple attack by an individual hacker, but appears to be thoroughly planned and executed by a specific organization or on a state level," the South Korean spy agency, the National Intelligence Service, said in a statement, adding that it was cooperating with the American authorities to investigate the attacks. The spy agency said the attacks appeared to have been carried out by a hostile group or government, and the news agency Yonhap reported that the agency had implicated North Korea or pro-North Korean groups. **A spokesman at the intelligence agency said it could not confirm the Yonhap report about North Korea's possible role.** The opposition Democratic Party accused the spy agency of spreading rumors to whip up support for an antiterrorism bill that would give it more power. In May, South Korean media reported that North Korea was running a cyberwarfare unit that operated through the Chinese Internet network and tried to hack into American and South Korean military networks. United States computer security researchers who have examined the attacking software and watched network traffic played down the sophistication and extent of the attacks. "I would call this a garden-variety attack," said Jose Nazario, manager of security research at Arbor Networks, a network security firm that is based in Chelmsford, Mass. He said that the attackers were generating about 23 megabits of data a second, not enough to cause major disruptions of the Internet at most of the sites that were being attacked. "The code is really pretty elementary in many respects," he added. "I'm doubting that the author is a computer science graduate student." As for possible origins, there were only hints. One researcher, Joe Stewart, of Secureworks' Counter Threat Unit in Atlanta, said the attacking software contained the text string "get/China/DNS," with DNS referring to China's Internet routing system. He said that it appeared that the data generated by the attacking program was based on a Korean-language browser. (Choe Sang-hun, and John Markoff, "Cyberattacks Jam Government and Commercial Web Sites in U.S. and South Korea," *New York Times*, July 9, 2009, p. A-4) U.S. officials have largely ruled out North Korea as the origin of a computer attack last July that took down U.S. and South Korean government websites, according to cybersecurity experts. But authorities are not much closer than they were a year ago to knowing exactly who did it – and why. In the days after the fast-moving, widespread attack, analysis pointed to North Korea as the likely starting point because code used in the attack included Korean language and other indicators. Experts now say there is no conclusive evidence that North Korea, or any other nation, orchestrated it. (Lolita Baldor, "U.S. Largely Ruling out N. Korea in 2009 Cyberattacks," Associated Press, July 3, 2010)

Senior DoS official (Goldberg): "We met with a Chinese interagency delegation led by the Foreign Ministry. It included their central bank, their customs officials, other agencies. This is noteworthy because it was formed very quickly on their side. It included the range of agencies and departments in the Chinese Government responsible for implementing Resolution 1874 and the earlier resolution. It followed contact from President Obama and Secretary Clinton on the importance of this issue. And so that in and of itself, the speed with which we went out and the interagency delegation we found there, were significant. We shared information. We went through the new designations that the United States has made of Namchongang and Hong Kong Electronics, the general advisory from the Treasury Department on the way banks should deal with and be warned about activities related to North Korea, general

information about the new UN resolution. The Under Secretary of the Treasury Stuart Levey is doing some follow-up on that. We had a representative, Deputy Assistant Secretary Glaser, who traveled with the delegation. And we have gone through this a couple of times now in Beijing. We went from Beijing to Malaysia. We met with the central bank, with the prime minister's office. We found a willing - a great willingness to cooperate on implementing the resolution. Some people have asked: Why Malaysia? Malaysia is an important - in the first instance, an important ASEAN country. We wanted to touch base with ASEAN - an ASEAN country while we were on this trip. They also have a fairly advanced financial intelligence unit. In fact, the financial intelligence unit in Malaysia consults, offers technical advice within the region in Southeast Asia. They have extensive bank oversight capabilities. We met with the central bank there. And as they're going through the process of doing what we've done with our - within our banking system, it was helpful to share notes with them and to go through some of the information that we were able to discuss. In both Beijing and in Kuala Lumpur, we did do, and we were able to share some additional information on North Korean activities. Our overall objective in all of this remains the same, which is to return to serious meaningful discussions within the Six-Party process on denuclearization and nonproliferation. We don't see the UN resolutions or sanctions as a means to punish North - the North Korean people. We see them—the resolutions—as a means to get back to our original intention of convincing North Korea that there really is only one way forward. We hope to create through all of this a process, a sense of transparency, a sense of shining a light on North Korea's activities, those related to their nuclear and missile proliferation." (Senior DoS Official, Background Briefing on Interagency Delegation Meetings in China and Malaysia," July 8, 2009)

7/9/09

The sister of an American journalist jailed in North Korea says the woman acknowledged breaking North Korean law during a recent phone call. Lisa Ling told KCRA-TV in Sacramento she spoke to her sister, Laura Ling, Tuesday around 10:30 p.m. (Associated Press, "Sister: Journalist Says She Broke North Korean Law," July 9, 2009) The sister of an American journalist sentenced with a co-worker to 12 years in a North Korean labor camp said that they're seeking a pardon as their only hope for freedom. Lisa Ling told The Associated Press on Thursday that her sister, Laura, made the plea during a 20-minute telephone call Tuesday. Meanwhile, a scholar who visited the North said in an interview published Friday that North Korea has delayed sending the two convicted journalists to a prison labor camp, in a possible attempt to seek talks with Washington on their release. "I heard from North Korean officials that the American journalists were doing fine at a guest house in Pyongyang," University of Georgia political scientist Han Park told South Korea's *JoongAng Ilbo* newspaper. Park, originally from South Korea, arrived today in Seoul following a trip to Pyongyang. Lisa Ling said her sister called to say that she and fellow journalist Euna Lee had broken the law in North Korea when they were captured in March on the China-North Korean border. "She was very deliberate in saying they broke the law," Lisa Ling said in a phone interview before an evening vigil planned at the state Capitol. "Their only hope right now is to be pardoned." (Samantha Young, "Journalists Held in North Korea Ask for Pardon," Associated Press, July 10, 2009)

7/10/09 In a shift, Secretary of State Hillary Rodham Clinton called for the North Korean government to grant "amnesty" to two jailed American reporters, dropping previous demands that they be freed on humanitarian grounds. "The two journalists and their families have expressed great remorse for this incident, and **I think everyone is very sorry that it happened,**" Clinton said in Washington. "What we hope for now is that these two young women would be **granted amnesty** through the North Korean system and be allowed to return home to their families as soon as possible." (Glenn Kessler "Clinton Makes 'Amnesty' Request," *Washington Post*, July 11, 2009)

7/13/09 After his party's defeat in Tokyo's metropolitan elections yesterday, beleaguered PM Aso Taro said he will dissolve the House of Representatives next week and hold a general election on August 30, setting the stage for a poll in which his Liberal Democratic Party is widely expected to suffer a big loss. Chief Cabinet Secretary Kawamura Takeo said the metropolitan assembly election produced "grave results" for the ruling bloc but denied that Aso would immediately be called to account for the bloc's loss. The DPJ won 54 seats in the 127-seat assembly, up from 34 against 38 seats for the LDP, down from 48, and 23 for New Komeito, up from 22. (Kyodo, "Election Set for Aug. 30; Faceoff Likely between LDP, DPJ," July 13, 2009)

China wants to focus diplomatic efforts on bringing North Korea back to the six-way talks on its nuclear program rather than holding a separate five-way gathering without the communist ally, according to Beijing's top nuclear envoy. "We will maintain the six-way format," Chinese Vice FM Wu Dawei tersely told reporters when asked if China supports the five-way gathering sought by Seoul. Wu was coming out of talks with Seoul's top nuclear negotiator Wi Sung-lac and Vice FM Kwon Jong-rak. (Lee Chi-dong, "China Lukewarm on 5-Way Meeting without Pyongyang," *Yonhap*, July 13, 2009)

Kim Jong-il has pancreatic cancer, YTN cable new reported from Beijing, quoting unidentified South Korean and Chinese sources. (Choe Sang-hun, "North Korean Leader Dying of Cancer, Broadcaster Says," *New York Times*, July 13, 2009, p. A-8)

7/14/09 As it noisily goads the outside world with missiles and a nuclear test, North Korea is quietly tightening screws at home. State controls over the lives of North Koreans have become more onerous this year, and operations of international aid agencies have been shackled. The government of Kim Jong Il is moving aggressively to reel in private markets by limiting what they can sell, reducing their hours of operation and shutting some down, according to reports from several organizations with informants inside the shuttered communist state. "Control of the market is now so tight that people are getting one-third to half the cash income they had before," said Jiro Ishimaru, who edits *Rimjingang*, a journal of reports, photos and videos smuggled out of North Korea by anonymous eyewitnesses. "Many people cannot afford food on sale in the markets." Last month, North Korea rolled back the U.N. World Food Program's capacity to monitor where international food aid is distributed and who receives it. Pyongyang also slashed the WFP's geographical reach inside the country, cutting the number of counties where it can operate from 131 to 57. In the spring, the government abruptly canceled a deal to accept hundreds of thousands of tons of food aid from the U.S. government. The cuts come during a year in which the United Nations estimates that 37

percent of North Koreans will require food aid. WFP officials said they are able to deliver about a tenth of the 45,000 tons of food a month needed to avert severe malnutrition. "On top of an already precarious nutritional situation, this is very alarming to us," said Lena Savelli, a Beijing-based spokeswoman for the WFP. (Blaine Harden, "North Korea Tightening Its Restrictions on Markets, Food Aid, *Washington Post*, July 14, 2009)

The newly-appointed U.S. assistant secretary of state for East Asia and the Pacific reportedly said Washington was eyeing nuclear ties between North Korea and Myanmar. Kurt Campbell said in a written reply for a Congressional confirmation hearing that the Southeast Asian country and North Korea were strengthening their partnership, according to Radio Free Asia. (Kim So-hyun, "U.S. Eyeing N.K.-Myanmar Nuke Ties," *Korea Herald*, July 15, 2009)

Resolution 1874, issued on June 12, obliges the 15-member committee under the Council to draw up a list of entities, goods, and individuals to be subject to sanctions, including embargoes and travel bans, "within thirty days of adoption" of the resolution. "The member governments should have agreed on the list by July 12 to meet the first deadline, but they decided to continue discussions for a few more days," a foreign ministry source said. "There appears to be progress in the consultations and a deal will be made as early as tomorrow." The source said the North's traditional allies, China and Russia, have again been involved in disputes with the U.S. and Japan over the scope of sanctions. "I think the 15 member countries will try to reach an agreement as early as possible to reduce the political burden," the source said. "If agreed, the list will include mostly technology-related officials and experts involved in North Korea's development of missile and nuclear programs. The Council will not target top-level officials like leader Kim Jong-il." (Lee Chi-dong, "U.N. Sanctions Committee to Blacklist N. Korean Officials," *Yonhap*, July 14, 2009)

American diplomatic efforts on North Korea are coming under fire within the Obama administration from officials who consider talks futile and instead want to focus on halting the regime's trade in nuclear weapons and missile equipment, U.S. officials said. The administration's official goal has been to coax the Pyongyang government back into the six-nation disarmament talks that began in 2003. Yet privately, many senior officials say they have all but lost hope that North Korea will cooperate, and some are arguing that it is time for a new approach. "We don't have six-party talks," said a senior U.S. official who described internal discussions on condition of anonymity. "We may have no choice but to move to containment." Secretary of State Hillary Rodham Clinton first expressed pessimism in April, when she told a Senate committee that North Korea's return to the talks was "implausible, if not impossible." The talks involve the United States, North Korea, South Korea, Japan, Russia and China. "Containment" would entail blocking shipments of banned equipment by land, air and sea. It also would mean trying to prevent Pyongyang from importing equipment that might be used for weapons programs, including so-called dual-use equipment, which is designed for nonmilitary purposes but can be adapted for weapons. Such an effort could succeed only with strong cooperation from North Korea's neighbors, China and Russia. Although they are increasingly unhappy with North Korea's provocative behavior, they have for years resisted U.S. attempts to crack down on Pyongyang. The Obama administration

came to office believing that with high-level diplomacy, it would have more success than either the Bush or Clinton teams in persuading Pyongyang to give up its nuclear program. But in their attempt to reach out, Obama officials have been "slapped in the face," said Victor D. Cha, who served in the National Security Council under former President George W. Bush and is now with the Center for Strategic and International Studies. U.S. officials speculate that aggressive North Korean actions may indicate the rising influence of hard-liners in an internal struggle over who is to succeed the ailing North Korean leader, Kim Jong Il. Senior administration officials have been signaling that their foremost concern with North Korea is the risk of proliferation., National Security Advisor James L. Jones said in May that the "imminent danger" in North Korea was not the launch of a nuclear missile, but the potential sales of arms to other countries or terrorist groups. North Korea's efforts to design an accurate long-range nuclear missile, he said, "still have a long way to go." U.S. officials believe that their efforts forced a North Korean ship they suspect was carrying banned weapons to return without delivering them. They said at least three ports denied entry to the ship, the Kang Nam 1, after a U.S. effort to draw attention to suspicions about the cargo. International concern over North Korea's weapons tests could help U.S. efforts to enlist help from other countries, Cha said. "I can't conceive of an administration being better positioned to undertake such an effort than this one is," he said. At the same time, Cha said there would be international pressure on the White House to return to talks if North Korea offered to do so. U.S. officials believe they also have leverage over Pyongyang through their authorization to block international financial transactions that may be related to North Korea's weapons programs. Such efforts previously have angered Pyongyang. In 2005, North Korea halted its participation in talks after the United States in effect froze Pyongyang's funds by threatening to cut off a Macau bank from the American financial system. (Paul Richter, "Doubts in White House on Approach to N. Korea," *Los Angeles Times*, July 14, 2009)

South Korea is looking to discuss with the United States a revision of the guidelines restricting its missile technology, a spokesman at the Ministry of National Defense said today. The Seoul government, however, has not officially raised the topic with the U.S. administration, which previously wanted to limit the range of South Korean missiles to 300 kilometers under a 2001 agreement, the spokesman said on condition of anonymity.

The comments came after U.S. Forces Korea Commander Gen. Walter Sharp said he didn't think any revision of the missile range pact should be made at the moment. In a video-linked news conference from New York, yesterday, Sharp was quoted as saying, "There's been no request to do that and I really don't see a need for that right now." The general was answering a question over whether the issue would be discussed at the upcoming Security Consultative Meeting between the defense ministers of the two countries in October. (Jung Sung-ki, "U.S. Skeptical over Seoul's Missile Program," *Korea Times*, July 15, 2009)

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DoS Background Briefing (Deputy SecState James Steinberg and Under SecTreasury Stuart Levey): **STEINBERG:** "I met just this past weekend with a South Korean foreign minister in Lisbon to talk about our combined efforts. Assistant Secretary Kurt Campbell is now in the region conferring with countries in Northeast Asia. In addition to the G-8

meeting, the President discussed this with the Russians in Moscow. The Chinese Vice Foreign Minister Wu Dawei was not only here in Washington to discuss these issues, but also consulting with counterparts in the region. We met with the Russian Six-Party Talk Representative Losyukov here in Washington a couple of weeks ago as well. So it's a very active effort to make sure that we're all coordinated and pursuing the same line. And the key to our efforts is full implementation of 1874, but also a clear message to the North Koreans that if and when they're ready to engage and reaffirm and act on their commitments made in 2005 to eliminate their nuclear program, that we're ready to achieve that. And it is clear by all the parties, and very clear both in our public statements and in the private discussions, that there's a consensus that given what's happened up till now, that we're not really interested in halfway measures, that what we need to see from North Korea is complete denuclearization and for them to take irreversible steps towards that goal. I mean, I think it's - as I say, there's a very strong consensus among all of the countries, particularly South Korea, Japan, China, and Russia, about that goal. As I said, we are clearly prepared to reengage with the North Koreans, but they need to understand the strong intention and will of all the parties that we're not going to repeat the process last time of simply engaging in talks that don't lead to irreversible steps. I guess the last thing I should mention is, in terms of the implementation of 1874, is that we are in the final stages right now of completing the discussions around designating persons and entities under Resolution 1874, which is an important step, a practical step in the implementation of the sanctions which allow us to identify specific companies and individuals involved in the transactions that will allow us to take the next step in terms of implementing these sanctions." **LEVEY:** "We have been working with our partners around the world to protect the integrity of the financial system, prevent North Korea from abusing it for its nuclear missile activities, and for other criminal and illicit conduct. This effort involves both governments, but also importantly, the private sector, as I'll explain in a moment. There are a number of very powerful tools available to us in this context. We, of course, have the Resolution 1718 that was passed in 2006, which has asset-freezing provisions in it and some very important designations that were done after the April launch of key North Korean entities involved in their missile program. We have, since that time, also done our own designations under our own domestic authorities in Executive Order 13382 that - of other North Korean entities - Nam Chon Gang, a nuclear entity, and Hong Kong Electronics, a missile entity. And then of course, we are working, as my colleague indicated, on further designations under 1874 pursuant to the new resolution. But in addition to the asset-freezing provisions of those resolutions, I want to point out a critical provision that I think is very powerful, which is paragraph 18 in Resolution 1874, which calls upon, in addition to freezing the assets of designated entities, that all member-states should prevent any financial services from being provided that could benefit North Korea's nuclear missile or WMD program-related activities. That is a very powerful provision, even on its face, but particularly powerful in the context of North Korea, because North Korea engages in a variety of deceptive financial practices that are intended to obscure the true nature of their transactions. We put out an advisory to this effect on June 18<sup>th</sup>. It's on the Treasury Department website if you'd like to see it. And this is consistent with a long pattern of North Korean deceptive conduct that we detail in that advisory that goes to our financial institutions here, but of course is paid close attention to by financial institutions around the world. The bottom line is that

because of this kind of deceptive conduct that North Korea engages in that obscures the nature of their transactions, it's virtually impossible to distinguish between legitimate and illegitimate North Korean business. In the financial world, transparency is a fundamental value. And as my colleague indicated, that's also a fundamental principle that we're pursuing in our overall activities with respect to North Korea. But transparency in the financial system is something we always talk about in terms of needing integrity in the financial system so that people know the nature of transactions. And North Korea acts in a way that is intended to be opaque. And so it's for that reason that this has a powerful effect not only with governments, but with the private sector, and particularly banks around the world who have every incentive to protect themselves from this kind of illicit activity. They don't want to get involved in illicit transactions, whether it's a nuclear transaction, a missile transaction, whether it's a transaction that involves the provision of luxury goods to North Korea, which is a violation of the Security Council resolutions. They don't want to get involved in those transactions, both because they're good corporate citizens, but also because they are very protective of their own reputations. And I have found, as my colleague pointed out, we have done a lot of travel, even before and after 1874 being passed. We participated in Ambassador Goldberg's trip to China and Malaysia. Deputy Assistant Secretary Glaser traveled with him, who is one of the world's foremost experts on this illicit financial activity. And then I traveled last week to Beijing and Hong Kong. And what we found is exactly what I laid out, which is that governments and the private sector are taking this extremely seriously, they are grappling with exactly how they can avoid this illicit activity, and we think that it'll have precisely the desired effect on North Korea." **Q:** And my question for Official Number Two: I know you have been working on the sanctions and everything else, but one of the concerns seems to be that whence the North Koreans decide to come back to the table, are you looking at the sanctions in a way that they can be tweaked to be used as a tool in the negotiations, or is this something that the pressure is just going to continue to stay on North Korea even if they decide to come back to the table? **LEVEY:** "Well, I'm glad you asked that. I mean, as my colleague pointed out at the beginning, what we're focused on now is getting irreversible and verifiable conduct change from North Korea. If and when that happens, then - if the conduct changes, then it's quite easy to have financial institutions and others reverse the kinds of pressures that will occur from protecting themselves against the illicit activity. If there's not illicit activity to protect oneself against, then it's quite easy to have that pressure removed. And that's something which is really critical to the success of the whole enterprise. But as long as the conduct continues, then the pressures inevitably will remain." **STEINBERG:** "Just to reinforce that, I think that our view is that we don't intend to reward the North just for returning to talks, but if they are actually prepared to do the kinds of things that we've suggested that they need to do, then obviously, we'll be prepared to reciprocate." **Q:** I'm more interested in interdiction efforts in terms of arms shipments as opposed to financial, but I'm curious how cooperative they've been, because obviously, implementation on their part is pretty key. Also, shortly after (inaudible) passed, there was some talk at the Pentagon, at least, of the discussions with the South Koreans and the Japanese about possibly ramping up some defensive measures, be it missile defense or whatnot, if these talks do not go well. Can you give us an update of any of those - the status of those negotiations? **STEINBERG:** "Sure, on both, and then I'll ask my colleague on the first one. But let me try to answer both first and then have him

come in. With respect to China, I think we've had - and Ambassador Goldberg had very good and far-ranging discussions that were then complemented by the Chinese representative's visit here. And we discussed in very practical terms the different dimensions of the concerns we have about how North Korea might engage in activities that violate 1874 - shipments over land, shipments by air, shipments by sea. And we're in the process now, and I think all of the countries are now looking at what we see as the pattern and practice of trade and transshipment by North Korea to see what we need to do to make sure the resolution is implemented. And while, again, we're in early days, I think my own impression from the conversations with the Chinese is that they understand each of these elements of it, they understand that they themselves, in the context of their commitment to the resolution, need to look at each of these elements as well as the financial transactions that my colleague talked about. And there's no sort of pushback on the idea that we have to watch each of these ways in which the North Koreans do business. So we'll see. In the event we want to exchange views on this, each country is going to implement it by its own terms, but there's no suggestion on their side that somehow that there are parts of the trade or transactions that are off limits to our discussions on exchange of views. With respect to the defensive measures, I think both we - each of us individually and as part of our treaty alliances both with Japan and with South Korea have to take seriously the developing capabilities of North Korea and adjust our responses accordingly. We have seen the North Koreans attempt to develop missile technology, both short and medium range. Those are potentially a threat to the United States and immediately a threat to South Korea and Japan at the range that they have already tested. And so we have ongoing cooperation. We have, obviously, our troops present as part of the U.S. Forces and the Unified Command in Korea. We continue to take steps to look at the evolving threat and to adapt our defenses to that, similarly with Japan. That includes things like missile defense, given precisely the nature of the threat that North Korea poses and seems to be seeking to advertise. We have to, individually and together, take steps to strengthen our defenses. And the more that threat develops, the more defensive measures that we will all feel obliged to take, as I said, both individually and in connection with our alliances. And I think that's well understood by all the countries in the region and should be well understood by the North Koreans. We're not going to sit idly by while they develop threats to us and to our allies without developing the measures we need to respond to that." (DoS, Office of the Spokesman, Background Briefing on North Korea, July 15, 2009)

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SecState Clinton: "We've also begun to adopt a more flexible and pragmatic posture with our partners. We won't agree on every issue. Standing firm on our principles shouldn't prevent us from working together where we can. So we will not tell our partners to take it or leave it, nor will we insist that they're either with us or against us. In today's world, that's global malpractice. Our diplomacy regarding North Korea is a case in point. We have invested a significant amount of diplomatic resources to achieve Security Council consensus in response to North Korea's provocative actions. I spoke numerous times to my counterparts in Japan, South Korea, Russia and China, drawing out their concerns, making our principles and redlines clear, and seeking a path forward. The short-term results were two unanimous Security Council resolutions with real teeth and consequences for North Korea, and then the follow-on active involvement of China, Russia, and India with us in persuading others to comply with the resolutions.



The long-term result, we believe, will be a tougher joint effort toward the complete and verifiable denuclearization of the Korean Peninsula." (Secretary of State Hillary Clinton, Council on Foreign Relations, Washington, July 15, 2009)

7/16/09

The United Nations Security Council has imposed a travel ban on and frozen the assets of five North Korean officials for their involvement in the North's nuclear and ballistic missile program development, informed sources in New York said. The sanctions on North Korean personnel, the first of its kind, came three days before the Sunday deadline for listing North Korean officials, companies and goods under a council mandate. The council adopted a resolution in early June to sanction North Korea for its nuclear test on May 25. The five are Ri Je-son, director of the General Bureau of Atomic Energy; Yun Ho-ji, director of Namchongang Trading Corp.; Ri Hong-sop, former head of the Yongbyon Nuclear Research Center; Hwang Sok-hwa, a senior official of the General Bureau of Atomic Energy, and Han Yu-ro, director of Korea Ryongakan General Trading Corp. (Yonhap, "Five N. Korean Officials Face Travel Ban, Asset Freeze by U.N.: Sources," July 16, 2009) In its latest effort to bring a seemingly unyielding North Korea to heel over its nuclear weapons and ballistic missile programs, the U.N. Security Council imposed sanctions on five trading companies and five individuals on Thursday, in addition to banning the trade of two goods linked to building ballistic missiles. The North Korean men and companies that were cited, including Hong Kong Electronics, a trading company based in the Iranian free-trade zone of Kish Island in the Persian Gulf, are the core elements of North Korea's attempts to build nuclear weapons, diplomats said. The sanctions include a travel ban and an asset freeze on the five individuals, although it is unclear how often they travel internationally or whether they hold any foreign bank accounts. "The individuals are closely involved and responsible for these programs; they are very senior," Takasu Yukio, the Japanese ambassador to the United Nations, said. "We have full confidence this will have a major impact." The call for new sanctions was included in a Security Council resolution that was passed in June after North Korea conducted its most recent nuclear test on May 25. The North has adopted a bellicose stance toward all United Nations actions, firing off batches of missiles to thumb its nose at the threat of additional penalties. "This is probably not enough for a major North Korea response," David C. Kang, a professor of international relations at the University of Southern California, said by telephone from Seoul. "It will hurt them in any attempt to sell weapons, so as a restraint it might be good. But in terms of getting them to change their behavior, I don't believe that is going to happen." (Neil MacFarquhar, "U.N. Penalizes 5 North Korean Companies and Officials," *New York Times*, July 17, 2009, p. A-7) 7/16/09

On North Korea, a new Japanese Defense White Paper states, "It is difficult to dismiss the possibility that the regime will destabilize in time of a change in power structure that may take place in the near future," given Kim's reported health problems and age of 67. Its May 25 nuclear test "shows the good possibility" that Pyongyang has made further progress in its nuclear program, and "it is difficult to eliminate the possibility that North Korea, in a relatively short time, realizes downsizing and making into warheads of nuclear weapons," it says. Pyongyang is also believed to have successfully extended the range of its ballistic missiles, it says, comparing the April 5 launch of what it sees as a Taepodong-2 long-range missile or its derivative to the mid-flight failure of a

Taepodong-2 in 2006. On the military use of space, on which the ban was lifted by the 2008 space law, the Defense Ministry will "vigorously consider specific measures," such as developing special satellites for the Self-Defense Forces to enhance its command, control, communication, computer, intelligence, surveillance and reconnaissance, it says. Japan's defense-related budget decreased 0.8 percent to 4,702.8 billion yen in fiscal 2009, which began in April, from the year before for the seventh consecutive year of decline under the government's fiscal austerity, it says. (Kyodo, "Japan Defense White Paper Ratchets up Vigilance of China, N. Korea," July 17, 2009)

North Korea is not ready to resume disarmament negotiations over its nuclear program because the U.S. and its allies do not respect the nation's sovereignty, said the country's No. 2 leader. At the Non-Aligned Movement summit of 118 nations, Kim Yong Nam, president of the Presidium of the Supreme People's Assembly and the country's second-highest official, blasted the U.S. for its "hostile actions," which had pushed the situation into a "serious confrontation." "For us there can be no dialogue, nor any negotiations where the principles of respect for sovereign rights and equality are denied," Kim said. "The (six-nation) talks ... came to a permanent end because the U.S. and the majority of the obedient parties to the talks abandoned this principle," he added. (Sarah El Deeb, "North Korea: No Disarmament Talks," Associated Press, July 16, 2009)

7/18/09

Japan and the United States agreed today to set up an official framework to engage in periodic talks on the so-called U.S. nuclear umbrella over Japan and other deterrence measures, a senior Japanese official said. The move reflects the U.S. intention to remove Japan's growing security concerns in the wake of North Korea's nuclear test in May by deepening discussions between the two countries on the effectiveness and reliability of the nuclear umbrella, under which Japan, which does not possess nuclear weapons, is afforded protection. Through such a move, the United States may also be hoping to defuse arguments among some ruling party members in Japan that the country should arm itself with nuclear weapons. The agreement was reached at a Security Subcommittee Meeting attended by senior working-level officials from the Japanese foreign and defense ministries and their U.S. counterparts, including visiting Kurt Campbell, assistant secretary of state for East Asia and Pacific affairs. "We are going to start some briefings soon, very soon, (in the) next several weeks (on the issue). But we will continue that in a more formal way later, subsequently," Campbell, who is visiting Japan for the first time since assuming the post in June, told reporters after the meeting. Meanwhile, on the possibility of holding the so-called five-party talks without North Korea to break the impasse in negotiations on denuclearizing the North, Campbell said the prospects are "not clear." "The United States has said that we like to see at some point five-party talks in the appropriate circumstances, the appropriate preparation. We are not sure when or if those will occur," he said. (Kyodo, "Japan. U.S. Agree on Periodic talks over U.S. Nuclear Umbrella," July 18, 2009)

The United States is ready to hold talks with North Korea if the conditions are right but will also press U.N. sanctions to punish Pyongyang for its nuclear and missile tests, a senior envoy for Asia said on. "We have to be clear that under the right circumstances, we should be prepared to sit down with North Korea if they would abandon their nuclear ambitions," U.S. Assistant Secretary of State Kurt Campbell said upon arriving in

Seoul ahead of talks with South Korean officials. "There have to be consequences for these provocative actions so the United States is working in the international community, with the United Nations, to put forward a robust set of sanctions and unilateral actions that are designed to send a clear message to Pyongyang," he said. (Jon Herskovitz, "U.S. Ready for Talks and Sanctions for North Korea," Reuters, July 18, 2009)

7/20/09

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MINISTER HYUN IN-TAEK

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### **Summary**

**A South Korean minister says Kim will die by 2015, and anticipates further "fireworks" in the tumult of succession.** The post-Kim country will need outside help to stave off economic collapse. Key passage highlighted in yellow.

1. (C) SUMMARY: In a **July 20** meeting, Unification Minister Hyun In-taek outlined Kim Jong-il's health and succession concerns, key figures and the current state of the DPRK for A/S Campbell. Although Kim Jong-il (KJI) remained firmly in control of the regime for now, he was unlikely to live beyond 2015. **On succession, Hyun observed the current succession preparations for Kim Jung-un were "rushed," and anticipated additional "fireworks" (either a third nuclear test or missile launches) at the end of the current 150-day campaign, scheduled to end in mid-October.** North Korea would return to dialogue afterwards. North Korea is suffering from severe food shortage and devastating economic crisis caused by lack of foreign aid, economic foundation and decent harvest. The situation is worse than the 1996/ 1997 crisis, because the economic uncertainty is taking place during, not after, a power transition period. Desperate for cash, Hyun believed North Korea would sell nuclear technology to potential buyers. North Korea desired to be a "strong state," ideologically, militarily and economically. Nuclear power would allow two of the three: ideological and military strength. **The role of the DPRK Foreign Ministry diminished after Kim Gae-kwan failed to "deal with the United States."** The **Kaesong Industrial Complex (KIC) remained a source for cash for the DPRK; it was also a potential window of opportunity for inter-Korean cooperation, and at the same time a potential political liability for both Koreas.** Hyun believed North Korea after KJI's death would look very different than the current state and require economic assistance from South Korea and the United States. Hyun also underscored the importance the U.S.-ROK cooperation and believed a unified Korea should be nuclear free. END SUMMARY.

## KJI's Health and Succession

2. (C) **While KJI's overall political power remained "firm and strong," his health was weakening, Hyun said.** South Korean analysts believed that KJI was unlikely to live more than 3 to 5 years, although he seemed to be doing better lately. MOU had not discovered any firm basis for rumored pancreatic cancer, reports of which stemmed from a Japanese press article with a Beijing source. **Wang Jiarui, Director for PRC Communist Party International Liaison Department, told Hyun that when he had met with KJI in January, Wang could not detect any scars on KJI's head from his widely reported surgery after suffering a stroke. Also, KJI did not look as though he would die soon when he attended the 15-year commemoration of the death of his father, Kim Il-sung, on July 8.** KJI remained for the entire duration of the celebration -- over three hours -- and met with his staff for about 20 minutes after the event.

3. (C) *Hyun observed that the current, "rushed," pace of succession preparation in the North was noteworthy. "Semi-officially," Hyun said, the transition had started, with some power and authority already transferred to the youngest son, Kim Jong-un, who had already been recognized publicly as a "young commander" and a "brilliant star." The current 150-day campaign, scheduled to end in mid-October, was to provide a boost to a smoother transition. Hyun said he expected further nuclear and/or missile tests in October; perhaps, after that, North Korea would return to the nuclear talks.*

## Return to Dialogue After October

4. (C) **Hyun said it was only a matter of time before North Korea returned to the nuclear talks; the only question was when.** North Korea **faced a severely degraded economy, serious food shortages, and a shortage of foreign currency. It could resist for a while, but not for a long time.** The Five Parties, therefore, should focus on how to manage the return of North Korea to the negotiations. If the return was not well managed, there would be poor results. The United States and South Korea must apply patience and pressure.

## The Current State of North Korea

(C) According to Hyun, **North Korea now faced a very difficult economic situation, similar to the conditions in 1996 and 1997.** Hyun pointed out that **North Korea "produces nothing" and had "no meaningful trade" with the outside world.** On food, Hyun said that North Korea was now asking private ROK entities for food assistance. Hyun confirmed that the ROKG did not send food aid or fertilizer to the DPRK from 2008 to present. **Having also refused U.S. food aid, the DPRK was severely suffering, and the food situation would not improve soon, Hyun said.** Since early July, North Korea had suffered from unusually heavy rainfall, which would have a devastating effect on the harvest this year.

6. (C) On inter-Korean trade, **Hyun cited data from the Korea Development Institute (KDI), which showed a sharp decrease in inter-Korean trade over the past six**

**months.** Moreover, inter-Korean projects such as Mt. Kumkang and Kaesong city tours, major sources of cash, had dried up completely because they were closed in July and December 2008. The remaining, legitimate, cash flow for the North is now the Kaesong Industrial Complex (KIC), from which the North receives about USD 35 million for its 40,000 workers. Hyun believed that North Korea could, and would, sell nuclear technology, and even plutonium.

7. (C) **Hyun assessed that Pyongyang's nuclear and missile tests were to earn "one big deal" with the United States. North Korea wanted to be recognized as a nuclear state.** North Korea's goals were to become ideologically, militarily, and economically a strong state. Aiming to achieve "strength" in all areas by 2012, the year when North Korea will "enter the gateway to become a strong and prosperous nation," according North Korean schedule. Hyun said the ideological goal was already achieved through Kim Il-sung's Juche, or self-reliance, ideology. The DPRK's aim to become a military power was "nearly achieved," through the North's nuclear and missile capabilities. In North Korea's view, ideological and military strength would come from becoming a nuclear power. When North Korea would "gain strength" on all three fronts, it would also obtain the recognition and respect from the rest of the world.

Key players

8. (C) **Hyun identified Jang Sung-taek as the central figure in North Korea at the moment, probably the second-in-command. However, Jang did not oversee serious military issues, including nuclear and missile programs. On military issues, key authority was held by the National Defense Committee. Among the committee members, Hyun said Joo koo-chan was responsible for the rocket launch, and Oh Kuk-ryul and Kim Young-choon were key decision makers within the military.** Other National Defense Committee members, such as Cho Myung-rok, who had met President Clinton, were not doing well because of old age. Oh Kuk-ryul and Kim Young-choon were also old, but remained active. According to Hyun's sources, Kim Young-choon suffers from bad hearing, but remained one of KJI's close confidants. Apparently, KJI called for Kim Young-choon twice on July 8, at the celebration of the 15th anniversary of KIS's death -- a clear sign of influence. Hyun also identified Kim Jeong-gak as "very powerful," but underscored that KJI still controls "everything, including the military."

Diminishing Foreign Ministry's Role

9. (C) **In the past, the DPRK Foreign Ministry enjoyed some of influence and power, as a check-and-balance element of the DPRK regime. Currently, that balance system has broken down and the foreign ministry's role has diminished considerably. One reason for this downfall, according to Hyun, was the perceived failure of the Six-Party Talks (6PT) where Kim Gye-kwan did "not deal with the United States successfully."** Hyun said that the North Korean authorities expected a lot from Kim Gye-kwan, but he had "failed to deliver."

Kaesong Industrial Complex (KIC)

10. (C) Hyun saw the KIC as a window of opportunity for inter-Korean development, especially in introducing South Korean capitalism to the North. Run by South Korean managers and machines, the KIC provides glimpse of the South Korean way of life to over 40,000 North Korean workers and their external families. The workers' change in appearance and way of thinking was visible, Hyun said. The 40,000 KIC workers could spread the South Korea's way of life to their families, thus directly affecting some 150,000 people around Kaesong city. Hyun also noted that, the KIC was a divisive issue in South Korea too. The North could use KIC to "divide" the South, Hyun assessed, but still, Hyun said, most of South Korea, including the ROKG, did not want the project to fail.

#### Way forward

11. (C) Hyun believed North Korea after KJI's death would look very different, requiring considerable economic assistance from South Korea, the United States and international community. Hyun advised that in case of a sudden collapse in North Korea, the ROKG and USG should move quickly toward unification of the Korean peninsula. There was "no disagreement" among ROK agencies on this point, Hyun said. The USG could expect "full cooperation" from the ROKG; unification was the goal of South Korea. Hyun underscored the importance the U.S.-ROK cooperation and stated that a unified Korea should be nuclear free.

12. (U) A/S Campbell has cleared this message. STEPHENS (*Guardian*, US Embassy Cables: China Riterates 'Red Lines,'" November 29, 2010)

Secretary of State Clinton said North Korea should not receive the attention it is seeking through behavior like missile launches and likened Pyongyang's behavior to that of unruly children. "What we've seen is this constant demand for attention," Clinton, who is in India, said in an interview that aired on ABC's "Good Morning America" today. "And maybe it's the mother in me or the experience that I've had with small children and unruly teenagers and people who are demanding attention -- don't give it to them, they don't deserve it, they are acting out," she said. Clinton also downplayed the threat that North Korea poses to the United States, saying: "They don't pose a threat to us. We know that our allies, Japan and South Korea, are very concerned." She said her comment earlier this month that "everyone is very sorry" about an incident that resulted in North Korea detaining two U.S. journalists was recognition of what the two women themselves have said. (Tabassum Zakaria, "Clinton Likens North Korea to Unruly Children," Reuters, July 20, 2009)

South Korea called for a new push to restart dialogue with North Korea on ending its nuclear arms program as Washington seeks to increase pressure on Pyongyang with punishment for its atomic and missile tests. South Korea's top nuclear envoy said Seoul and Washington were on the same page on enforcing U.N. Security Council resolutions designed to cut off the North's lucrative arms trade but more needed to be done to bring Pyongyang back to dialogue. "As you put it yesterday on the form of two-track approach, we have to think about resumption of dialogue as well," Wi Sung-lac told U.S. Assistant Secretary of State Kurt Campbell, who is visiting Seoul. Campbell said at the

weekend the United States was ready to hold talks with North Korea if the conditions were right but will also press sanctions to punish Pyongyang for provocative actions. (Jack Kim, "South Korea Pushes to Restart Talks with North Korea," Reuters, July 20, 2009) The U.S. and South Korea are hatching a "comprehensive" strategy to persuade North Korea to dismantle its nuclear weapons program, breaking from the step-by-step process. Campbell discussed the new strategy with chief South Korean nuclear envoy Wi Sung-lac during talks today, FM spokesman Moon Tae-young said. Campbell first spoke of the idea two days ago, saying "If North Korea is prepared to take serious and irreversible steps (towards denuclearization) the United States, South Korea, Japan, China and others will be able to put together a comprehensive package that would be attractive to North Korea." South Korean FM Yu Myung-hwan told lawmakers today that such a package approach would be aimed at resolving all outstanding issues at once by putting all of North Korea's obligations and demands on the table. Yu did not elaborate but said disarming the North in phases, the approach pursued so far, is difficult because the North can reverse the steps it has taken. "We can't repeat the past negotiating pattern" of rewarding North Korea for partial denuclearization steps, Moon said. "We plan to continue consultations with related countries about a comprehensive solution." (Jae-soon Chang, "U.S., S. Korea Seeking New Way of Disarming N. Korea," Associated Press, July 20, 2009)

South Korea has drawn up an enhanced package of incentives for the international community to entice North Korea back to talks on denuclearization, putting hard figures on previously vague promises of aid. The carrots would include a \$40bn aid fund with input from the Asian Development Bank, World Bank and governments, South Korean officials told Goldman Sachs. There would be five free trade zones and 100 exporting companies generating \$3m each. The international community would help build railways, motorways and telecom networks and train a modern industrial workforce of 300,000. Forests would be replanted. Wi Sung-lac, South Korea's nuclear negotiator, also told Goldman Sachs that Pyongyang would gain security guarantees and restored diplomatic relations if it gave up its atomic weapons program. Officials said these figures represented a starting point and would then be discussed by the US, Japan, China and Russia. Kurt Campbell, US assistant secretary of state for East Asian and Pacific affairs, said in Seoul on Saturday the five allies would consider offering a "comprehensive package" to lure North Korea back to talks. However, he did not say whether the US agreed with Wi's figures and warned that Pyongyang would have to take the first "irreversible" steps to disarmament. Wi and another senior official who briefed Goldman Sachs sought to allay investors' fears about security on the peninsula by saying there were clear signs Pyongyang was pulling in its horns and could well return to talks. The officials said it was encouraging that North Korea had called back to port a ship suspected of carrying weapons to Burma. They also said Pyongyang had become far more reasonable in discussions over wages and rent in the North Korean city of Kaesong where South Korea invests in factories. They attributed the more pragmatic approach to Pyongyang's increasing awareness that the UN was more united in imposing sanctions than ever before. (Christian Oliver, "Seoul Drafts \$40bn North Korea Plan," *Financial Times*, July 21, 2009) South Korea has denied a report in the *Financial Times* that it has set up a US\$40 billion aid fund to entice North Korea back to denuclearization talks. Officials here said the report resulted from a misunderstanding

that a campaign pledge by President Lee Myung-bak had been turned into policy. But oddly, South Korean officials said the article was "not necessarily incorrect from a long-term perspective." One key government official was even more forthcoming. "With South Korea and the United States reaching an understanding on a comprehensive package that envisages putting all issues on the negotiating table, we need to offer North Korea a bunch of carrots if it decides to completely abandon its nuclear program," he said. President Lee's 'Vision 3000: Denuclearization and Openness' concept must form the framework of those incentives. And the FT report appeared just as this idea was gaining traction at the international level, according to the official. The source of the article was U.S. investment bank Goldman Sachs. According to South Korea's Foreign Ministry and the Financial Services Commission, the South Korean government and Goldman Sachs held a video conference on Friday on the North Korean nuclear standoff and Seoul's plans to deal with the crisis. **The government says there was no mention whatsoever of a "\$40 billion" plan during that meeting. But a report to investors by Goldman Sachs included the points discussed during that meeting and an attachment detailing Lee's campaign pledge, which created a misunderstanding that the \$40 billion plan had been discussed.** A Cheong Wa Dae official said, "South Korea and the United States are discussing a comprehensive package, but it is not as specific as the FT report suggests." But the official added, "As aid to North Korea is discussed, the idea of a \$40 billion incentive package for North Korea, expected to be raised through the cooperative efforts of international financial institutions, would eventually be brought up." (*Chosun Ilbo*, "Seoul Denies \$40B Aid 'For Now,'" July 22, 2009)

7/21/09

Secretary of State Hillary Rodham Clinton said the United States is taking "very seriously" reports of growing military cooperation between North Korea and Burma. "We know that there are also growing concerns" about such cooperation, Clinton told reporters today after talks in the Thai capital. "It would be destabilizing for the region. It would pose a direct threat to Burma's neighbors." U.S. officials closely tracked a North Korean ship after the government in Pyongyang tested a nuclear weapon. Although U.S. officials were never certain it was headed to Burma, the ship returned to North Korea after the United States put pressure on Burma to fulfill a United Nations resolution barring most North Korean weapons exports. Photographs have also emerged in recent weeks vast tunnels built in Burma near its new capital, Naypyidaw, with North Korean technical assistance. North Korean officials can be spotted in the photos, which were taken between 2003 and 2006 and posted on the Web site of YaleGlobal Online by journalist Bertil Lintner. U.S. officials traveling with Clinton said that the concerns about Burma and North Korea, two of the most oppressive and opaque nations in the world, extend to possible nuclear cooperation. North Korea has a long history of illicit missile sales and proliferation, including secretly helping build a Syrian nuclear reactor that was destroyed in 2007 by Israeli jets. "This is one of the areas we'd like to know about," said one official. "We have concerns but our information is incomplete." (Glenn Kessler, "Clinton Wary of Growing Burmese, North Korean Military Cooperation," *Washington Post*, July 22, 2009) Clinton expressed concern that North Korea was transferring nuclear technology to Myanmar, which she said could destabilize the region. "It's a threat to other of our allies," Mrs. Clinton said during a town hall meeting here, "and it's a threat to further destabilization of the region." A day earlier, she said that expanded



military ties between the countries would “pose a direct threat” to Myanmar’s neighbors. She singled out Thailand, the host of the regional security meeting, as being vulnerable to the reclusive and heavily armed dictatorship in Myanmar. Suspicions about the relationship deepened recently when American officials, believing a North Korean freighter might be carrying weapons or other illicit cargo, tracked it until it reversed course. North Korea is already suspected of supplying Myanmar with small-caliber weapons and ammunition, but some intelligence analysts contend that North Korea is also helping Myanmar pursue a nuclear weapons program. They cite as possible evidence newly published photos of what some analysts say is a network of giant tunnels outside Myanmar’s jungle capital, Naypyidaw, built with help from North Korean engineers. “North Korea has been a notorious proliferator of nuclear technology,” Clinton said. Although the United States is putting most of its emphasis on enforcing the sanctions in that resolution, it has begun discussing possible incentives that the countries could offer North Korea, if its government agreed to abandon its nuclear ambitions and return to the bargaining table. Officials declined to say what might be on the table, though they said it would be a mix of familiar and new elements. In the past, the United States and other countries have offered North Korea shipments of fuel. “There are obviously a list of incentives, offers that could be made if the North Koreans evidence any willingness to take a different path,” Mrs. Clinton said at a news conference here, after arriving from New Delhi. “As of this moment in time, we haven’t seen that evidence.” The administration’s decision to broach the possibility of incentives, officials said, will make it easier to persuade countries like China, which have previously resisted sanctions against North Korea, to agree to put into effect the tougher measures in the United Nations resolution. North Korea is expected to send a delegate to the ASEAN conference, but Mrs. Clinton did not plan to meet that delegate. American officials said there was always the possibility of a chance encounter of a North Korean diplomat and one of Mrs. Clinton’s lieutenants on the sidelines. (Mark S. Landler, “Clinton Cites Concerns of Arms Aid to Myanmar,” *New York Times*, July 22, 2009, p. A-4) Asked if there are indications that North Korea might be helping Myanmar with a nuclear program, Clinton said, “You have to assume that North Korea would sell anything to anybody if they could find a market for it, and, you know, the Burmese military junta is very closed and unfortunately impervious to the best efforts of the United Nations, the European Union, their neighbors in the region and the United States, and we have to be cautious and find out what is going on.” (Michele Kelemen, “U.S. ‘Closely’ Watching N. Korea, Myanmar,” NPR Morning Edition, July 22, 2009) There is no hard evidence that two of the world’s pariah states are sharing nuclear technology, but one US expert says some of Myanmar’s activities raise suspicions of such links with North Korea. After years of rumours, the issue hit the headlines this week when US Secretary of State Hillary Clinton raised fears of possible nuclear and other military cooperation between Stalinist North Korea and military-ruled Myanmar. The Washington-based Institute for Science and International Security (ISIS) has for years been watching for signs of nuclear projects in Myanmar. “We have found no evidence of work by Burma on any major nuclear projects ... but we are suspicious about some of Burma’s activities,” its president David Albright told AFP in emailed comments. Albright cited the presence in Myanmar for at least the past two years of North Korea’s Namchongang Trading Corp. (NCG), or people associated with the company. NCG was the key North Korean entity assisting a Syrian reactor project that was bombed by Israel

in 2007, Albright said. It was one of five North Korean entities targeted in another round of UN sanctions last week. One Seoul-based analyst said it could make sense for Myanmar to get into the nuclear business. "Myanmar would feel the temptation to get nuclear weapons to enhance the prestige of the military junta and fend off international pressure over its human rights," said Jeung Young-Tae of the Korea Institute for National Unification. Myanmar's purchases of dual-use equipment including machine tools from Europe in 2006 and 2007 raised suspicions, Albright said. "The end-use declarations are inconsistent and the equipment ... is odd for Burma to acquire. However, its potential use is hard to determine," he said. Albright also cited Myanmar's past interest in buying a reactor from Russia. The project stalled due to foreign protests and supposed lack of money, raising the possibility that it may turn to North Korea. "Over the last two years, we have analysed many photos of sites acquired by opposition groups, but we found that none of them had any convincing nuclear signatures despite the claims of these groups," Albright said. Baek Seung-Joo, of the Korea Institute for Defense Analyses, said the Southeast Asian state has no particular reason to crave such technology. "It has no hostile nuclear-armed neighbors. It has no direct threats from China, India or Pakistan." However, Baek said Myanmar has a strong need for the North's conventional military equipment. Daniel Pinkston, senior analyst with the International Crisis Group, said Myanmar seems to lack the human resources to run a nuclear program and there is no hard evidence of one. "If it is starting at a very low level of development, North Korea could provide a lot of help covering the basics and training personnel," he said. "The most important thing in any nuclear program is the human resources." (Simon Martin, "Myanmar Activities Fuel N. Korea Nuclear Suspicions: Expert," AFP, July 23, 2009)

Diet lower house dissolved with election on August 30. A recent Kyodo News survey showed that 48.4 percent of those polled favored DPJ leader Hatoyama as prime minister, compared with 21.0 percent for Aso. At the time of the lower house dissolution, 303 lower house members were from the LDP, 112 from the DPJ, 31 from the New Komeito party, nine from the Japanese Communist Party, seven from the Social Democratic Party, five from the People's New Party, and one each from the New Party Daichi and the Japan Renaissance Party, nine were independents, while two seats were vacant. (Kyodo, "Aso Dissolves Lower House for Aug. 30 Poll; LDP Facing Uphill Battle," July 21, 2009)

A delegation of five North Korean officials arrived in Phuket to attend the ASEAN Regional Forum, leaving room for a surprise bilateral meeting with U.S. officials on the sidelines of this week's annual event. When asked whether they will meet with the U.S. side, Ri Tong-il, director of the disarmament department at the North's foreign ministry, reportedly said "it will depend on the situation." Ri made the comments to a group of reporters during a flight from Bangkok to Phuket. He apparently serves as spokesman for the delegation, headed by Amb. Pak Kun-gwang, vice foreign minister. (Lee Chidong, "N. Korea Says Open to Meeting U.S. in Regional Forum," Yonhap, July 21, 2009)

Minjok 21 magazine, quoting an overseas source who recently traveled to North Korea [Han Park], reported in its latest issue that North Korea is considering proposing the resumption of family reunions on the occasion of Chuseok, which falls on Oct. 3 this year. The overseas source

said he was told by a high-ranking North Korean official that Pyongyang would suggest "special family reunions," according to Chung Chang-hyun, senior editor of *Minjok 21* wrote in his story. "There will be proposals from North Korea's Red Cross to its South Korean counterpart for working-level talks on family reunions as time is needed for preparations," Chung quoted the source as saying. The Unification Ministry said that it hasn't been contacted by the North on the matter, but noted that issues pertaining to the separated families were one of the ministry's priority tasks to solve. "I believe there could be various ways and procedures in approaching the issue, such as reunions and hometown visits," Chun Hae-sung, the ministry's spokesman, said at a daily press briefing yesterday. Chun, however, declined to respond to a question on whether Seoul would accept should it receive a proposal from the North on reunions in the near future. "It wouldn't be appropriate to answer a hypothetical question," the spokesman said. (Kim So-hyun, "North Korea to Propose Family Reunions This Fall: Report," *Korea Herald*, July 21, 2009)

Inter-Korean trade totaled \$649.85 million in January-June 2009, down 26.6 percent from \$884.79 last year, the Korea Customs Service reported. (*Vantage Point*, August 2008, p. 45)

7/22/09

South Korean FM Yu Myung-hwan and his American counterpart Hillary Clinton will discuss a "comprehensive package" of incentives for North Korea in their meeting later today to prepare for Pyongyang's decision to move towards denuclearization, according to the FM spokesman Moon Tae-young. Yu and Clinton also plan to coordinate ways to impose U.N. sanctions on the communist nation for its second nuclear test in May in what the allies describe as a "two-track" strategy on Pyongyang, "The two sides will discuss a comprehensive approach towards the irreversible dismantlement of North Korean nuclear program, breaking away from the practice of partial and gradual negotiations in the denuclearization," Moon told reporters ahead of the bilateral talks between Yu and Clinton to be held on the eve of the ASEAN Regional Forum. Kurt Campbell, newly appointed assistant secretary of state for East Asia and Pacific affairs, said Washington is ready to offer a "comprehensive package" of incentives to the North. "If North Korea is prepared to take serious and irreversible steps the U.S., South Korea, Japan, China and others will be able to put together a comprehensive package that would be attractive to North Korea. But in this respect, North Korea really has to take some of the first steps," he told reporters during his trip to Seoul over the weekend. South Korean officials said the package is only in its early stages and their country and the U.S. will consult with the other members of the six-way talks on the plan. "The comprehensive package is still a concept, of which details should be worked out through consultations among related nations," a senior South Korean foreign ministry official said. "You will be able to expect much of what will be included in the package if you look at North Korea's demands in the past negotiations. Some new incentives will be included as well." (Lee Chi-dong, "S. Korea, U.S. to Discuss Carrots and Sticks for N. Korea," *Yonhap*, July 22, 2009)

In recent years, one of the few points of clarity in the foreign policy platform of the Democratic Party of Japan has been opposition to Tokyo's "unconstitutional" dispatch of naval fuel tankers in support of US warships operating in the Indian Ocean. But just weeks before a general election that polls say should see the DPJ win a historic victory over Japan's long-ruling Liberal Democrats, even this small chink of certainty in the DPJ's famously vague party platform seems to be fading. "Continuity is required in

diplomacy," said Hatoyama Yukio, DPJ president, last month when asked about long-promised plans to scrap the eight-year-old refueling mission by officially pacifist Japan's Maritime Self-Defense Force. "Suddenly halting it would be a very reckless idea." Such commitment to continuity will be music to the ears of those in Washington who worry about implications of a DPJ government for the US-Japan alliance. It also bolsters the arguments of those in the U.S. and Japanese foreign policy establishments who believe that, even if it wins the August 30 election, the DPJ is unlikely to have the desire - or capacity - to make shaking up diplomatic policy a priority. "There is not all that much they will be able to change," says one senior FM official, arguing that a novice DPJ administration would face too many pressing domestic issues to want to risk friction with foreign friends. Diplomatic change would also risk exacerbating divisions within the often fractious DPJ, a broad church whose members include former socialists who want to maintain constitutional controls on the military and defectors from the LDP who yearn to scrap such limits in order to make Japan a "normal nation." Michael Green, formerly President George W. Bush's top adviser on east Asia and now at the Centre for Strategic and International Studies, warns that if the DPJ were to try to push ahead with rewriting the Okinawa deal and other military agreements "it would indeed provoke a crisis with the US", but that such a prospect is unlikely. "They embraced these positions at a time when it looked like they were not going to get into power; the Japanese public supports the alliance, and Japan needs a stronger alliance with the US, not a weaker one," Green says. Terashima Jitsuro, head of the Mitsui Global Strategic Studies Institute, says pre-election policies are likely to remain "shallow" - but that, post-victory, the DPJ must send a "clear message" of change to the international community. Terashima, touted by some as a possible DPJ foreign minister, says that message must include a more independent, active and friendly policy towards Asian neighbors such as China and an end to Japan's subservient role in a US alliance. (Mure Dickie and Daniel Dombey, "DPJ Signal Eases Fears of Diplomacy Shake-up," *Financial Times*, July 22, 2009, p. 2)

**Q:** Thank you for your remarks, Madame Secretary. I'm (inaudible) from Yonhap News, a newswire of Korea. Actually, I have two questions regarding comprehensive package for - it's a package for North Korea. First, could you give us more details or - I mean, more concrete items - just a couple of - to be included in those package? And the second one is, if North Korea, Pyongyang, will not accept those package deals, then what's going to happen? I mean, what are you going to do for the process of denuclearizing North Korea?

**CLINTON:** Excellent questions. First, let me emphasize that the United States, China, Russia, Japan and South Korea are all united on our approach. We share a common goal of ending the nuclear weapons program and the nuclear program in North Korea so that we can have a denuclearized Korean Peninsula. We have made it very clear to the North Koreans that if they will agree to irreversible denuclearization, that the United States, as well as our partners, will move forward on a package of incentives and opportunities, including normalizing relations that will give the people of North Korea a better future.

It is tragic to look at what happens to the people in North Korea. They, as you know so well, don't have enough to eat, they don't have the opportunities that they deserve to have. **So we are very clear that we are willing to discuss the future with North**

**Korea, but only if they agree to the denuclearization.** Our policies among the five of us are aimed at avoiding conflict and instability in the region, and I think we are pursuing, in this united front, a very positive approach that we hope the North Koreans will respond to. **KELLY:** Next question, Mark Landler from *New York Times*. **Q:** Madame Secretary, picking up on what you just said, and knowing that you've just emerged from these meetings with four foreign ministers, I'd like to ask you a little more about the concrete, irreversible steps that you refer to. Have you reached an understanding and agreement with China, Japan, Russia, South Korea about the nature of these steps? And would you be able to tell us a little about what they might include, whether it be the disablement of the Yongbyon plant, surrender of plutonium stockpiles, or other similar measures? Thank you. **CLINTON:** Well, Mark, our goal is to have what we call irreversible denuclearization. So the points you just made are part of achieving that goal. We know that North Korea made commitments in 2006 which they did not fully comply with. We do not want to be in another negotiation that doesn't move us toward the goal of denuclearization. So we want verifiable, irreversible steps taken. And the technical experts will provide us with the details as to everything that must be done. But the net result is that North Korea will commit itself and eliminate its capacity to do anything other than have a denuclearized future. We know that this is difficult, and we understand the challenges we face. But I think it's remarkable that the five of us are not only committed to the goal, but talking very specifically about what needs to be presented to achieve that goal. And the United Nations Security Council resolution, which was unanimously supported by all of us, is being implemented vigorously by all of us. So I think we are on a very strong position in dealing with the North Koreans, and now we wait to hear whether they are willing to respond positively. (SecState Clinton, Press Availability at the ASEAN Summit," Phuket, July 22, 2009)

7/23/09

North Korea said the "comprehensive package" of incentives designed to guide the country to denuclearization is "nonsense" and blamed a "deep-rooted hostile policy" by the United States for causing the ongoing stalemate in denuclearization discussions. Ri Hung-sik, deputy head of the North Korean delegation to this week's Asean Regional Forum in Thailand, dismissed the offer of incentives as "just a replay of the Bush administration's policy of CVID [complete, verifiable, irreversible dismantlement]." "The six-party talks are already dead," Ri said, reiterating his country's previously stated position. "The United States must abandon its hostile policy before we can talk." Ri's comments came on the heels of U.S. Secretary of State Hillary Clinton's announcement late Wednesday that Washington would be willing to normalize relations with Pyongyang if North Korea agreed to "complete and irreversible denuclearization." She said normalizing relations would be part of "a package of incentives and opportunities." Last week, Kurt Campbell, the U.S. assistant secretary of state for East Asia and Pacific affairs, and South Korean diplomats discussed the "comprehensive package that would be attractive to North Korea" and urged Pyongyang to take "serious, irreversible first steps." (Yoo Jee-ho, "North Says U.S. Proposal Is Nonsense," *JoongAng Ilbo*, July 24, 2009)

South Korean Foreign Minister Yu Myung-hwan on Thursday played down North Korea's initial response to an envisioned "comprehensive package" of incentives offered to Pyongyang in return for the "complete and irreversible" dismantlement of its

nuclear program. "For now, it is still a concept, of which details should be worked out through consultations among related nations," the minister said at a press briefing on the results of the ARF meeting, in which Yu said the North Korean issue was discussed significantly. (Lee Chi-dong, "S. Korean Minister Plays Down Pyongyang's Objection to 'Comprehensive Package,'" July 23, 2009)

DPRK FoMin spokesman blasts "the anti-DPRK vituperation let loose by U.S. Secretary of State Hillary Clinton: She has made a spate of vulgar remarks unbecoming for her position everywhere she went since she was sworn in. She said during her recent trip to India that "north Korea should not receive the attention it is seeking through behavior like missile launches," likening Pyongyang's behavior to that of unruly children. Her words suggest that she is by no means intelligent. The DPRK has taken necessary measures to protect the nation's sovereignty and right to existence to cope with the U.S. hostile policy and nuclear threat, not to attract anyone's attention. The U.S., however, is taking the lead in making much ado about nothing. It was the U.S. that helped the DPRK to become the world focus. We cannot but regard Mrs. Clinton as a funny lady as she likes to utter such rhetoric, unaware of the elementary etiquette in the international community. Sometimes she looks like a primary schoolgirl and sometimes a pensioner going shopping. Anyone making misstatements has to pay for them. It is our view that she can make even a little contribution to the implementation of the U.S. administration's foreign policy as secretary of State only when she has understanding of the world, to begin with. (KCNA, "U.S. Secretary of State's Anti DPRK Rhetoric Blasted," July 23, 2009)

The U.S. Senate yesterday officially urged President Barack Obama to consider putting North Korea back on the U.S. terrorism blacklist. In a 66-31 vote on a nonbinding measure offered by Democratic Senator John Kerry, who chairs the Senate Foreign Relations Committee, congressional members asked the Obama administration to submit within 30 days a report assessing North Korea's actions after Pyongyang was removed from the U.S. terrorism list. (*Dong-A Ilbo*, "U.S. Senate Urges N.K.'s Return on Terrorism List," July 24, 2009)

Italy has blocked the sale of two luxury yachts to North Korea because it suspects they were destined for Kim Jong-il, the country's ailing dictator, in a potential breach of international sanctions against Pyongyang. A contract for the sale of the yachts, valued at about \$17.8m, was terminated this month after an investigation by officials from the Italian ministry of economic development and the Guardia di Finanza, Italy's anti-fraud police, the *Financial Times* has learnt. A deposit paid for the initial work on the two boats, which were confiscated by the ministry, has been returned to Azimut-Benetti, one of Italy's leading luxury yacht makers. Azimut built the yachts and still has them at its boatyard in Viareggio, near Pisa. Azimut was not accused of any wrongdoing in the investigation, in which it co-operated fully. The ministry said yesterday: "Seeing the type of goods that were involved and the condition . . . [North Korea] is in, we were very suspicious that the yachts were for the leader [Mr Kim], though we have no evidence of this." (Vincent Boland, Christian Oliver, and Giulia Segreti, "Italy Blocks Sale of Yachts Feared for North Korea," *Financial Times*, July 23, 2009)

7/25/09

North Korea's ambassador to the U.N. Sin Son Ho initiated a call to CBS News and its affiliate, Tokyo Broadcasting System (TBS), to talk about denuclearization of the Korean Peninsula. Other news agencies joined at the DPRK Mission in New York. North Korea called the meeting to respond to Washington, he said, after having tried to speak at the podium during Secretary of State Clinton's recent Asia trip. CBS News foreign affairs analyst Pamela Falk reports that, according to Ambassador Sin, Pyongyang is prepared to negotiate directly with Washington about Pyongyang's nuclear weapons program: "We are ready, any time," he said. For North Korea, six-party talks will not restart. "We have already made our position very clear," Ambassador Sin told CBS. "The six-party talks are gone forever. We will never participate in the six-party talks again. Never again." Responding to accusations by the international community about its intentions, Sin offered Pyongyang's explanation, "We have proceeded very well about denuclearization on our side with what we have agreed upon in the six-party talks, but we were cheated. We were cheated, simply I say, by other parties. The other parties of the six-party talks did not implement what they have agreed, what they promised in the six-party talks. So we do not trust them." The most ominous comment, however, was perhaps the explanation of why the North pursues their nuclear program. "We are always exposed to the nuclear threat of the U.S.," Sin said. "Japan and South Korea are under the protection of the nuclear umbrella by the United States. And our neighboring countries are all-powerful with nuclear weapons. There is only one country - DPRK - with nuclear vacancy in the region. We are defenseless, so it is our last option - to possess the nuclear deterrent." (Pamela Falk, "North Korea to Obama: We Are Ready to Talk," CBS News, July 25, 2009)

While Beijing joined the world's other big powers last week in approving United Nations measures against specified North Korean individuals and institutions, it has yet to decide on how to apply separate, more extensive restrictions on banking transactions with Pyongyang - despite pressure from Washington. "We are asking our partners to help dissuade all nations from facilitating, directly or indirectly, North Korea's attempts to enhance and proliferate its nuclear and missile technologies," SecState Clinton said on July 23, stressing that she would be talking about North Korea at US-China meetings in Washington July 27-28. "China will comply with the financial sanctions but technically, it still has some things to consult about," said Prof Shi Yinhong of People's University in Beijing. "In respect of concrete measures, maybe China still wants to leave some room for financial transactions for normal trade. There is a lot of trade done using hard currency." While Washington argues that the terms of the UN sanctions make it difficult to carry out normal trade with Pyongyang, China counters that a normal commercial relationship with North Korea is still within its rights. The US drive seeks to recreate Washington's largely successful push against Iran's financial sector, which persuaded many European banks to rein in business with Tehran. In both instances, Stuart Levey, a top Bush administration Treasury official retained by Barack Obama, has argued that it is difficult if not impossible for international groups to know whether their trading partners are involved in proscribed activities. In the case of North Korea, the Treasury push is based on UN Security Council Resolution 1874, which calls in wide-ranging

language on countries "to prevent the provision of financial services ... that could contribute to [North Korea's] nuclear-related, ballistic missile-related, or other weapons of mass destruction-related programs or activities." A senior administration official [Levey] said last week: "That is a very powerful provision... because North Korea engages in a variety of deceptive financial practices that are intended to obscure the true nature of their transactions." He added: "Banks around the world ... don't want to get involved in illicit transactions ... because they are very protective of their own reputations." However, US officials acknowledge that talks with China have gone more slowly than they hoped, indicating that China's state-owned banks have to balance their own concerns about reputational risk with the full range of Chinese government policies on North Korea. Some observers contrast Chinese banks' current stance with their reaction to the US's 2005 blacklisting of a Macao-based bank for its involvement in alleged North Korean money laundering activities. On that occasion, Chinese banks were quick to cut off ties with the designated institution, Banco Delta Asia. (Daniel Dombey and Richard McGregor, "Beijing Resists U.S. Pressure for Wider Curbs on N. Korea," *Financial Times*, July 25-26, 2009)

7/27/09

DPRK FoMin spokesman: "As we have clarified in previous statements, the six-party talks were consequently reduced to a platform for blocking even the DPRK's development of science and technology for peaceful purposes and curbing the normal progress of its economy. It became all the more clear that other parties are taking advantage of these six-party talks to seek their ulterior aims to disarm and incapacitate the DPRK so that it can only subsist on the bread crumbs thrown away by them. The six-party talks departed from their original goal and nature so far due to the unchanged moves of the hostile forces to stifle the DPRK that they can hardly regain them. The state of affairs would not have reached the current gridlock if the U.S. and other parties to the six-party talks had not resorted to the reckless and shameless moves to deprive the DPRK of its legitimate right to launch satellites by abusing the name of the United Nations Security Council. The parties who now insist on the resumption of the six-party talks are in dead silence about their behavior that scuttled the talks and sparked off confrontation. This is the essence and the background of the current state of affairs, which the countries that are not parties to the six-party talks should understand. If these countries blindly respond to the call for the resumption of the six-party talks, contending that there is no other alternative, it doesn't help resolve the problem; it does more harm than good. We value sovereignty and dignity as our life and soul. It is preposterous to consider the DPRK as a country acting at other's beck and call in the matters of the six-party talks. As a party concerned, we know what should be done to resolve the problem far better than anyone else. **There is a specific and reserved form of dialogue that can address the current situation.** (KCNA, "DPRK Foreign Ministry Spokesman on Unreasonable Call for Resumption of Six-Party Talks," July 27, 2009)

North Korea said today that it was open to a form of dialogue to help resolve the dispute with the United States over its nuclear weapons program – but not to six-nation talks involving other regional powers. The statement, from North Korea's Foreign Ministry, was seen as an unusually conciliatory-sounding expression of willingness to engage the United States in direct, one-on-one talks – a longstanding North Korean preference. The statement followed remarks over the weekend by Sin Son-ho, the top



North Korean diplomat at the U.N., who said his government was “not against a dialogue” with Washington. (Choe Sang-hun, “North Korea Asserts New Willingness to Talk,” *New York Times*, July 27, 2009, p. A-10)

DoS Daily Briefing: **Q:** What’s your reaction to Pyongyang’s talk about dialogue with the United States, which appears to be a request for bilateral talks? **KELLY:** Yeah. Well, I think you know our longstanding policy is that we are open to a bilateral dialogue, but only in the context of the Six-Party Talks, only in a multilateral context. And you heard what the Secretary said yesterday. **She said that we’re not going to reward the North Koreans by agreeing to meet with them without some specific actions that they have to take.** And they know exactly what those actions are. It’s all laid out in black and white in the 2005 joint statement. If they take those actions, take some concrete steps, we’re willing to meet in the Six-Party context, and within that context we could have bilateral discussions with them. **Q:** Just following up here, does that statement today reassure you that they do want dialogue after so many provocative actions? Did you at one point -- **KELLY:** Well, I’m just - I’m not going to characterize it as positive or negative. I’m not going to - we’re not going to respond to press statements, frankly, coming out of the DPRK. What we’re going to do is - **Q:** It’s an official statement. It’s not just a press - I mean, it’s - what do you mean by that? It’s a -- **KELLY:** Well, we - what we want is **we want concrete steps to be taken. We want them to uphold their commitments. And as I said, those commitments are laid out very specifically in this joint statement that they signed. And once they start doing that and agree to a - to talks in a Six-Party context, then we can start talking about some movement forward.** But right now, I don’t see any. **Q:** Just to follow up on that, have you received any requests from North Koreans to have direct talks? Have you been talking with North Koreans about that, or - **KELLY:** Well, we have a number of ways that we communicate with North Korea - informally, formally, in public statements. But I’m not going to get into the substance of any kind of diplomatic exchanges that we may or may not have had with North Korea. (DoS Daily Briefing, July 27, 2009)

7/28/09 Chinese border police have seized 70 kg (154 lb) of the strategic metal vanadium bound for North Korea, the Dandong News said, foiling an attempt to smuggle a material used to make missile parts. Altogether 68 bottles of vanadium worth 200,000 yuan (\$29,280) were seized. “Customs agents at the Dandong border crossing inspect six boxes of the rare metal vanadium found hidden under boxes of fruit in a truck stopped during border checks,” the newspaper said in a front-page caption of a photo dated July 24. Vanadium is alloyed with steel to make missile casings, as well as high speed tools, superconducting magnets and jet engines. (Lucy Hornby and Benjamin Kang Lim, “China Seized Smuggled Metal Bound for North Korea,” Reuters, July 28, 2009)

7/29/09 Some tension between the two countries was evident over the issue of how to deal with North Korea. The United States wants more Chinese help in the enforcement of sanctions against North Korea. But the Chinese Vice Foreign Minister Wang Guangya, through an interpreter, said his government would not approve punishing North Korea on the basis of what he called inaccurate information: “In implementing Security Council resolutions we have to be both serious and very responsible. We need adequate

evidence in carrying out sanctions." (Tom Gjelten, "U.S., China Talks Focus on Future," NPR, July 29, 2009)

7/30/09

A Chinese investment company developing a copper mine in North Korea with a North Korean company sanctioned by the UN Security Council has reportedly called an abrupt halt to the project. An industry source in China said the investment firm sent a letter to NHI Shenyang Mining Machinery, the company it had commissioned to build facilities for the mine in Hyesan, North Korea, telling it to stop construction. An estimated 400,000 tons of copper are deposited there. The Chinese firm had signed an agreement with Korea Mining Development Trading Corporation to develop the mine in November 2006. But the North Korean partner was blacklisted by the UN Security Council after North Korea carried out its latest nuclear test. The industry source said, "When Chinese Vice President Xi Jinping visited Pyongyang in June last year, he pledged full support for the development of the Hyesan copper mine so that it could become a model for investment by Chinese business in North Korea. This prompted NHI to hurry construction so that production could start in September this year." But he added the Chinese government apparently persuaded the investment firm to stop the project as Beijing takes part in the UN sanctions. "Otherwise, it's unusual for a project to be stopped at this late stage," he said. The investment firm reportedly gave NHI no reason for the cancellation. (*Chosun Ilbo*, "North Korean Mining Project Buckles under UN Sanctions," July 30, 2009)

South Korea asked North Korea to release immediately a fishing boat which was towed to the secretive state after mistakenly crossing the Northern Limit Line (NLL) today. The North said an investigation was underway. The 29-ton 800 Yeongan with four crewmembers on board was apprehended by a North Korean patrol boat after it strayed into North Korean waters off the east coast. The squid catcher was presumed to have had a malfunction in its satellite navigation system, according to officials. "The government sent a message to the North's maritime authorities via an inter-Korean communication channel, calling for the immediate release of the boat and crewmembers," Unification Ministry spokesman Chun Hae-sung said. There was no immediate action, but Pyongyang acknowledged receiving the message and said it would check into the situation, according to spokeswoman Lee Jong-joo from the same ministry. The vessel was towed to the port of Jangjon at 9:30 a.m., defense ministry spokesman Lee Bung-woo said. After the fishing boat drifted into North Korean waters, a Navy vessel radioed the North Korean patrol for the return of the boat twice but received no response, according to military sources. Talks for the return of the crew are likely to be more complicated due to the soured inter-Korean relations, North Korea watchers said. "If the trespassing was due to a simple malfunction, North Korea will set the boat free after a quick investigation," professor Yang Moo-jin of the University of North Korea Studies in Seoul said. "But if there were other causes, the situation could become more complicated." There are some measures agreed on between the two Koreas regarding unexpected incidents such as this, Yang said. (Kim Sue-young, "Seoul Urges Pyongyang to Free Boat," *Korea Times*, July 30, 2009)

7/31/09

South Korea today greenlighted a request by aid workers to visit North Korea, the first such approval since the communist state's nuclear test in May. Its first approval in nearly

two months was given to World Vision, a multinational aid organization. "The decision was made based on the government's position that humanitarian assistance to North Korea should be continued," Unification Ministry spokesman Chun Hae-sung said in a briefing.

A group of seven World Vision staff and agricultural experts will begin an eight-day trip tomorrow, during which they plan to visit potato seedling farms the organization operates in Pyongyang and several provincial towns, said Kim Hye-young, a member of the team. "We couldn't go in June and July, but it's better late than never," Kim said. (Kim Hyun, "S. Korea Gives Nod to First Aid Group to North since Nuke Test, July 31, 2009)

8/1/09

The U.S. government has instructed American banks to use extra caution in conducting transactions with North Korean companies and individuals, and is considering sanctioning more business entities from North Korea. Philip Goldberg, in charge of sanctions against North Korea at the U.S. State Department, said, "Financial companies must use caution in dealing with not only companies listed on the U.N. blacklist subject to sanctions, but all North Korean companies and individuals." He was speaking at a meeting of the North Korean sanction committee under the U.N. Security Council. "We are discussing the list of additional firms subject to sanctions," he said, making it clear that an additional eight institutions and five individuals in North Korea will be subject to sanctions, including freezing of assets and travel restrictions. The U.S. Treasury Department also added Korea Hyoksin Trading Corp. to its list of companies subject to financial sanctions in connection with weapons of mass destruction trade. The U.N. Security Council said the Pyongyang-based company had earlier been embroiled in development of such weapons. (*Dong-A Ilbo*, "U.S. Imposes More Economic Sanctions against Korea," August 1, 2009)

Burma's isolated military junta is building a secret nuclear reactor and plutonium extraction facilities with North Korean help, with the aim of acquiring its first nuclear bomb in five years, according to evidence from key defectors revealed in an exclusive Herald report today. The secret complex, much of it in caves tunneled into a mountain at Naung Laing in northern Burma, runs parallel to a civilian reactor being built at another site by Russia that both the Russians and Burmese say will be put under international safeguards. Two defectors were extensively interviewed separately over the past two years in Thailand by the Australian National University strategic expert Desmond Ball and a Thai-based Irish-Australian journalist, Phil Thornton, who has followed Burma for years. One was an officer with a secret nuclear battalion in the Burmese army who was sent to Moscow for two years' training; the other was a former executive of the leading regime business partner, Htoo Trading, who handled nuclear contracts with Russia and North Korea. Professor Ball said another Moscow-trained Burmese army defector was picked up by US intelligence agencies early last year. Some weeks later, Burma protested to Thailand about overflights by unmanned surveillance drones that were apparently launched across Thai territory by US agencies. These would have yielded low-level photographs and air samples, in addition to satellite imagery. (Haish McDonald, "Revealed: Burma's Nuclear Bombshell," *Sydney Morning Herald*, August 1, 2009)

- 8/2/09 South Korea's first satellite-carrying rocket is being assembled for its launch from the Naro Space Center on Aug. 11, an official from the Ministry of Education, Science and Technology. Work has been underway for two days to assemble the main booster rocket, made in Russia, and the second stage of the Korea Space Launch Vehicle-1 (KSLV-1). The second stage holds a solid fuel rocket and small satellite, both made in Korea. The official, however, said that because inclement weather may hold up the launch, Seoul has set aside a launch window from Aug. 11-18. South Korea will inform the International Civil Aviation Organization and the International Maritime Organization, so ships and planes in the path of the rocket can be warned in advance. Despite such upbeat predictions, some experts caution that more delays could arise, especially related to complications on the Russian side. The latest delay was caused when Russia said it could not meet the July 23 date for the "hot" test-firing of the KSLV-1 rocket. The crucial test of the main booster took place on Thursday, the original launch date. Originally, when the project was started in August 2002, work on the rocket was set to be completed by late 2005 with the launch scheduled for October 2007. That was pushed back to December 2008 and again from the second quarter of this year to July. The first-stage main booster rocket did not arrive in the country until June. The rocket, developed at a cost of 502.5 billion won (US\$408.7 million), stands 33 meters tall, has a diameter of just under 3 meters and weighs 140 tons. The first stage main booster rocket has a thrust of 170 tons, while the smaller second-stage can generate 8 tons of thrust. The rocket is designed to put a 100kg satellite into orbit. The government built the Naro Space Center, located 485km south of Seoul, to launch the KSLV-1 and future rockets. (Yonhap, "S. Korea's Space Rocket Being Assembled for Aug. 11 Launch," August 2, 2009)
- 8/3/09 South Korea announced a list of nongovernmental groups that will be provided a total of 3.5 billion won for medical aid for North Koreans in urgent need of assistance. The 10 beneficiaries will receive up to 630 million won each for projects to provide meals for children, assist new mothers and fight tuberculosis in the impoverished North. (Kim So-hyum, Seoul Eases Stance on Aid for N.K.," *Korea Herald*, August 4, 2009)
- 8/4-5/09 "Great leader Comrade Kim Jong Il received former US President Bill Clinton. Comrade Kim Jong Il, Workers Party of Korea [WPK] general secretary and DPRK National Defense Commission [NDC] chairman, who is the great leader of our party and people, received former US President and his party, who are visiting our country, on 4 August. First Vice Foreign Minister Kang Sok Ju and Kim Yang Gon, WPK Central Committee department director, attended. At the meeting, Bill Clinton respectfully conveyed to Comrade Kim Jong Il a verbal message from Barack Obama, president of the United States of America. Great leader Comrade Kim Jong Il expressed his gratitude for this and welcomed Bill Clinton's visit to our country. He then had a sincere talk with him. During the reception, there were broad exchanges of opinion on issues of mutual interest." (KCNA Radio, "Kim Jong Il Meets with Bill Clinton," August 4, 2009) "The National Defense Commission of the Democratic People's Republic of Korea gave a dinner in honor of former U.S. President Bill Clinton on a visit to the DPRK at the Paekhwawon State Guest House this evening. Present at the dinner was Kim Jong Il, general secretary of the Workers' Party of Korea and chairman of the DPRK National Defense Commission. Present there on invitation were former U.S. President Bill Clinton

and his suite members. Present there were Chairman of the Supreme People's Assembly of the DPRK Choe Thae Bok, Secretary of the WPK Central Committee Kim Ki Nam, First Vice-Minister of Foreign Affairs Kang Sok Ju, Department Director of the WPK Central Committee Kim Yang Gon, Member of the NDC U Tong Chuk, Vice-Minister of Foreign Affairs Kim Kye Gwan and officials concerned. The dinner proceeded in a cordial atmosphere. (KCNA, "Dinner Arranged for Bill Clinton," August 4, 2009) In mid-July, the two journalists were told to inform their relatives that Bill Clinton should be sent to free them. Last July, she appealed to Mr. Obama over lunch to send her husband to North Korea to free two American journalists jailed there. **The president's advisers were uniformly against it**, fearing that the visit would spill over into efforts to curb North Korea's nuclear ambitions. But the North Korean leader, Kim Jong-il, insisted on Mr. Clinton, and Mrs. Clinton argued that he could be counted on to stay in bounds. "I agree with Hillary," the president said flatly, according to a senior aide who was present that day. (Mark Landler and Helene Cooper, "After a Bitter Campaign, Forging an Alliance," *New York Times*, March 19, 2010, p. A-1)

"Former U.S. President Bill Clinton and his party visited the Democratic People's Republic of Korea from August 4 to 5. Kim Jong Il, general secretary of the Workers' Party of Korea and chairman of the National Defense Commission of the DPRK, met with Bill Clinton and his party. During their stay Clinton and his party paid a courtesy call on Kim Yong Nam, president of the Presidium of the Supreme People's Assembly. Clinton expressed **words of sincere apology** to Kim Jong Il for the hostile acts committed by the two American journalists against the DPRK after illegally intruding into it. Clinton courteously conveyed to Kim Jong Il an earnest request of the U.S. government to leniently pardon them and send them back home from a humanitarian point of view. The meetings **had candid and in-depth discussions on the pending issues between the DPRK and the U.S. in a sincere atmosphere and reached a consensus of views on seeking a negotiated settlement of them**. Kim Jong Il issued an order of the Chairman of the DPRK National Defense Commission on granting a special pardon to the two American journalists who had been sentenced to hard labor in accordance with Article 103 of the Socialist Constitution and releasing them. **Clinton courteously conveyed a verbal message of U.S. President Barack Obama expressing profound thanks for this and reflecting views on ways of improving the relations between the two countries**. The measure taken to release the American journalists is a manifestation of the DPRK's humanitarian and peace-loving policy. **The DPRK visit of Clinton and his party will contribute to deepening the understanding between the DPRK and the U.S. and building the bilateral confidence.**" (KCNA, "Report on Bill Clinton's Visit to DPRK Made Public," August 5, 2009) Japanese FM Nakasone Hirofumi said on Clinton's surprise visit to negotiate the release of two U.S. journalists detained in North Korea, "It is not appropriate to prejudge the future of bilateral relations between the United States and North Korea." But amid Tokyo's concern that the United States may single-handedly try to break the impasse in stalled multilateral negotiations on the reclusive state's nuclear programs, the government officials said Japan will push for greater unity between the United States, Japan and South Korea. Japan has been hoping that the North would be obliged to return to the stalled six-party talks if the international community steadily implements a set of U.N. sanctions slapped on North Korea in response to its nuclear test in May, according to a senior Foreign Ministry

official. The Foreign Ministry has repeatedly urged Washington not to weigh the release of the two journalists against the North Korean nuclear issue, and is wary about the United States engaging in direct dialogue with the North before seeing the full effects of the sanctions. "North Korea will take advantage of the journalist issue to improve its relations with the United States," a government source said, adding Japan is preparing for the possibility that their release could open the door for bilateral dialogue between the United States and North Korea. "If the United States engages easily in direct dialogue with North Korea, that would disrupt cooperation between the United States, Japan and South Korea, and work to Pyongyang's advantage in negotiations," the Foreign Ministry official said. "The United States does understand that and will probably act with due caution." (Kyodo, "Japanese Monitoring Ex-U.S. President Clinton's Visit to N. Korea," August 4, 2009)

The two women were arrested on March 17 near the North Korean border with China while reporting on human trafficking for Current TV, a San Francisco-based media company co-founded by former Vice President Gore. In June, the women were sentenced to 12 years of hard labor for illegally entering the country, but they were freed Tuesday after Mr. Clinton negotiated their release. During the women's captivity, supporters held vigils in San Francisco, Washington and other cities. Lisa Ling, a former co-host of "The View" and correspondent for "The Oprah Winfrey Show," played a pivotal role in drawing news media attention to their plight. Lisa Ling said her sister and Ms. Lee had been held in isolation for most of their detention, without any knowledge of each other's well-being. North Korean authorities permitted the women to call their families on a few occasions. At one point, Ms. Ling told her family on the phone to write to Ms. Lee "and tell her I'm thinking about her and I love her." And during a July call, Ms. Ling and Ms. Lee told their families that the North Koreans had told them that they would be willing to grant them amnesty if "an envoy in the person of President Clinton would agree to come to Pyongyang and seek their release," according to a senior Obama administration official who briefed reporters. The proposal was then reported to Gore, who passed it on to Clinton. (Jennifer Steinhauer and Rebecca Cathcart, "An Intimate Homecoming Is Played out in Public," *New York Times*, August 6, 2009, p. A-13) Administration officials said the White House had no plans to change its strategy for negotiating with North Korea, which involves imposing strict sanctions on the government and inviting it back to multiparty negotiations only if it agrees to give up its nuclear weapons program. "We have said to the North Koreans that there's a path to better relations," Obama said in an interview with MSNBC. "We just want to make sure the government of North Korea is operating within the basic rules of the international community that they know is expected of them." Obama's message, repeated by Secretary of State Clinton, illustrated the determination of the White House not to allow Kim Jong-il to turn Clinton's visit to his advantage in talks with the United States and other countries. Officials said the administration's restatement of its policy did not mean that it was blind to the opportunities that could flow out of the mission's happy outcome. "How this impacts the psychology of the North Koreans, no one can tell," said a senior administration official, who spoke on the condition of anonymity because of the delicacy of the issue. How the United States responds to Mr. Kim's expectations may determine whether Clinton's visit leads to a genuine opening between the countries. "They're going to expect us to take our foot off the pedal," said Victor Cha, who

negotiated with North Korea in the Bush administration. "If China calls and says North Korea is willing to come back to six-party talks in Beijing if we relax the sanctions, this becomes a tough call." In a sign of the administration's sensitivity, a senior official said the United States had briefed officials at the highest levels of the Chinese and Russian governments last weekend about the nature of Clinton's mission, to reassure them that the White House did not intend the visit to lead to bilateral talks with North Korea. One American official noted that Clinton, in his talks with Kim, broached the issue of Japanese and South Koreans abducted by North Korea. Some of the administration's calculations will be influenced by Clinton's observations about Mr. Kim's health and mood. (Mark Landler, "U.S. Reminds North Korea: Work Remains," *New York Times*, August 6, 2009, p. A-1) [North Korea renewed the invitation for Bosworth to come to Pyongyang.] Bill Clinton's doctor, who accompanied the former U.S. president to Pyongyang last month, has told the U.S. government that North Korean leader Kim Jong-il is still recovering from what appears to have been a stroke last year but is in stable condition, sources in Washington say. Diplomatic sources said Roger Band, a professor of emergency medicine at the Hospital of the University of Pennsylvania who regularly checks Clinton's health, accompanied the former president on a visit to the North and got a close look at Kim. Brand had been briefed by U.S. government officials, the sources said. Adm. Timothy Keating, the commander of U.S. Pacific forces, indirectly confirmed the story in a speech he delivered at the Center for Strategic and International Studies on September 15. Clinton's trip to North Korea was "great intelligence," he said. Keating said Kim was "upright" and appeared to be comfortable and able to carry on reasonable discussions. But he cautioned that this does not mean it is clear what Kim's succession plans are. (*Chosun Ilbo*, "Bill Clinton's Doctor 'Took Close Look at Kim Jong-il,'" September 17, 2009)

Officials from South Korea and the United States developed joint plans to brace for all potential contingencies in North Korea in a closed meeting held in Hawaii last August 4-5, Radio Free Asia (RFA) said October 2. The meeting was attended by 12 South Korean government officials including top nuclear envoy Wi Sung-lac and 12 U.S. government officials, including chief nuclear negotiator Sung Kim, RFA said. They discussed policies and measures to cope with possible contingencies in North Korea such as the death of the North Korean leader and a regime change, the radio said. It was the first time that Seoul and Washington discussed countermeasures against contingencies in North Korea, while they had formed a consensus on the need to establish contingency plans against North Korea in bilateral meetings of foreign officials in September 2008 and April this year, RFA said, quoting a source familiar with the matter. (Yonhap, "S. Korea, U.S. Set up Contingency Plan on N. Korea: RFA," October 2, 2009)

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Secretary of State Hillary Rodham Clinton said she isn't counting on a breakthrough in relations with North Korea now that the communist nation has freed two American journalists. "Perhaps they will now be willing to start talking to us within the context of the six-party talks about the international desire to see them denuclearize," she said Wednesday on NBC's "Today" show. She said North Korea had sent a message through the two detained journalists and their families that sending Bill Clinton as an envoy "would be the best way to assure their release." Asked whether the former president's lengthy meeting with North Korea's authoritarian leader Kim Jong Il might lead to a

breakthrough on nuclear issues, Hillary Clinton said she didn't know. "That wasn't the purpose of it, and it certainly is not anything we're counting on," she said, "because the Obama administration has to deal with North Korea going forward. But I hope that North Korea makes the right choice." New Mexico Gov. Bill Richardson said Wednesday that both the United States and North Korea can claim victory from the former president's mission. "It's equal right now" in terms of public relations one-upmanship between Washington and Pyongyang, said Richardson, a former U.S. ambassador to the United Nations. He told CBS's "The Early Show," that North Korea "used the two journalists as bargaining chips." Kim "gets a former president on his soil" at a time of turmoil in relations between the two countries. And Washington wins release of the two Americans, and perhaps an easing of tensions. (Matthew Lee, "Clinton: Don't Count on North Korea Breakthrough," Associated Press, August 5, 2009)

DoS Daily Briefing: **Q:** She has already said - and I don't know if she said it before she spoke to him [Bill Clinton] or afterward - that she doesn't expect some huge - that's not her word, but, you know, tremendous change based on what happened, on the release. But it's a positive step, isn't it? Is it a step in the direction of a better relationship?

**WOOD:** Well, I don't think we know yet, Barry. That's something we don't know. Again, as we've made very clear from the beginning, this private humanitarian mission is separate from our interaction with North Korea vis-à-vis its nuclear program. So, these two are not in any way linked. Whether or not we will get a better cooperation from the North in living up to its international obligations, we certainly hope so, but we'll just have to see.

**Q:** But officials have said that they thought that, you know, this could be the kind of catalyst, that this would give them a face-saving opportunity to back themselves out of a corner and engage if the journalists were freed.

**WOOD:** Well, we'll have to see, Elise. I think it's too early to be able to judge that. I think what we're going to be looking for, and what we have been looking for, is for the North to live up to its obligations. We've offered the North a path to get back into the good graces of the international community. We hope that the North will take up that offer. But we'll have to see. The ball is really in the North's court on this issue. ...

**Q:** Listen - Robert, you said they have to live up to their obligations and all. Do you agree with the proposition that each side has to make some - take some steps, that it's not a one-way street? And couldn't this be counted as a positive step? Or if it's separate because it's humanitarian, still, mustn't the U.S. do something like ease up on its search for tougher sanctions to get the North Koreans to be more forthcoming? Or are you just going to wait for them?

**WOOD:** Look, we - the Secretary and others have been very clear in saying that we are certainly willing to look at how we can bring the North back into the good graces of the international community. If you remember, we were engaged in the process with the North. We got as far as the North needing to give us some assurances about their commitments to verification that they were unwilling to do in written form. And the North took a number of volatile, provocative steps that certainly didn't improve their climate. It seems to have walked away from the Six-Party Talks. We have been encouraging the North - we and the other members of the international community that are interested in this issue have encouraged them to come back. They have yet to do that. We want to see them come back. And we have offered them a path. It's really going to be up to the North to take it. I don't see this as anything that the United States, South Korea, Japan, Russia, China need to do at this point. This is really what the North needs to do.

**Q:** You were



essentially indicating the ball's in North Korea's court. Secretary Clinton said at ASEAN - and I don't have the exact quote - but, you know, that - not going to be rewarded for just coming back to the talks. ...What exactly is the U.S. Government position about what North Korea would have to do now, specifically, to get back in this - to extend the metaphor, this game? **WOOD: The North Koreans need to recommit to the Six-Party framework, which means coming back to the table, showing us an indication that they're willing to continue negotiating on - or should I say implementing the goals as outlined in the joint statement of 2005.** **Q:** How so? What are you looking for? Something in writing? Some overt act? **WOOD:** I don't know that we necessarily need something in writing. We just need to see a willingness. You know it when you see it. We need to see a willingness of the North to fulfill those obligations. And so we just await for the North to give us some kind of a response, whether it's willing to come back and work with us through this framework that they agreed to. No one forced the North into joining the Six-Party framework. This was something the North decided to do, it committed to, and we want to see it live up to its commitments. ...**Q:** -- is there any role for bilateral contacts as a way of following up on this visit and exploring? **WOOD:** Well, we've said over and over again that we're willing to have conversations bilaterally with the North in the context of the Six-Party framework. And so remember, this is not just the United States calling on the North to adhere to its obligations. It's all the other countries that are members of the Six-Party framework. **Q:** So that would be only after the Six-Party Talks resume? **WOOD:** Well, just within the context of the Six-Party framework. That's been our position for quite some time. **Q:** A couple more things. First of all, is this the kind of thing that the State Department or the Obama Administration is going to be looking for President Clinton to do more often, kind of a more of a Bill Richardson type role, perhaps to go to Iran and free these detainees? **WOOD:** If you recall from the briefing last night, and from I think what the Secretary said earlier today, I mean, **this was a message that was communicated from the two journalists to their families, from their families to the vice president, former Vice President Gore, who then transmitted that message to the Administration. And obviously, after that, President Obama made a request to see if the former president would be willing to undertake this private humanitarian mission.** ...**Q:** And one more. The State Department was involved in kind of working with the Swedish, trying to talk to the North Koreans up until a certain point, and then it seems like the White House completely took this over. Over the last few days, we've heard from White House officials that - and there was a briefing, as you alluded to, that didn't mention the State Department once. They said that President Clinton was going to be coming back and be briefing President Obama's national security team. So what is the involvement of the State - what was the involvement of the State Department over the last couple of weeks? And is there a concern that when there's a foreign policy success, that the White House is trying to take it for their own? **WOOD:** Well, look, let me just say very clearly that the State Department was involved in this. I think you understand and know that the Secretary is the President's chief foreign policy advisor. So you can expect that the State Department has been involved, will be involved in debriefing. The national security team of this Administration is very in sync, works very closely together, as you know, Elise. And so I don't subscribe to this view at all. **Q:** There's no feeling that over the last couple of days - I mean, there has been a lot of talk about President Clinton going on this mission that was - and the White House handled all the press communiqué. Usually,

this is something that the State Department handles. Why, all of a sudden, was this a White House mission? **WOOD:** Well, this wasn't - **this was a request that was made from President Obama to President - former President Clinton to go on this humanitarian - private humanitarian mission. And so it's only natural that the White House was going to be involved, but the State Department was also involved as well.** As I said, I don't want to get into the details of the various meetings and the phone conversations that took place, but I can assure you the State Department was very involved. ...**Q:** Not to be picky, but this was a pardon the journalists got. Isn't that a concession? It doesn't erase the stain of a - of guilt. A pardon is granted to people who've done wrong things, but for various reasons - health, humanitarian, an ill relative - they're freed. Did the president try to - do you happen to know, did the president try to get it put in more favorable terms than pardon? **WOOD:** I, again, wasn't privy to these specific discussions that went on. But what I can tell you, Barry, is that we did our homework in terms - or due diligence to make sure that if President Clinton didn't take this trip, that we would be able to get - win the freedom for these two. So indeed, we obviously received those assurances and we have them - they're at home back in Los Angeles, I believe. So - but beyond that, I don't really have any more information or details to give you on that. **Q:** So I guess you don't - what's the word - attach much meaning to the terminology to pardon? It's the way they do it. And it's - the main thing is getting them out. Is that the idea? **WOOD:** The important thing is winning their release. And we did that and we're all very pleased. It's a very, very great day for all of us here in the United States - getting these two young journalists back. **Q:** And do you know - it came up in the phone briefing last night that the White House had provided some briefings to the former president over the phone and in person at his house in Washington. Were any State Department people involved in those briefings, do you know? **WOOD:** I don't know. But as I said, they may not have been in a briefing or two. I'm not sure. But as I said, I stand by that very clearly. The State Department did play a very important role in this, so I just want to be - make -- **Q:** You also, as you mentioned, have detainees that kind of strayed - possibly strayed onto the Iranian border on Iraq. These journalists - Secretary Clinton even expressed kind of regret or remorse for what they did, suggesting - for these journalists, suggesting that perhaps that there was some wrongdoing. Is there any thought to kind of your consular department sending out some kind of something to Americans to, you know, that they really need to be careful? I mean, obviously, your role is to provide safety for Americans that get into trouble. But isn't it upon the responsibility of American citizens to know that they shouldn't be crossing the border into a country where they shouldn't be? **WOOD:** Well, Elise, as you know, we put out Travel Alerts, Advisories, Warnings worldwide -- **Q:** Well, I mean something more robust, given that you have a lot of detainees around the world that have been straying into crazy borders? **Q:** Like a map. (Laughter.)" (DoS, Daily Briefing, Deputy Spokesman Robert Wood, August 5, 2009)

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SecState Clinton: **Q:** Tell us a little bit more about it. So President Clinton comes back. He spends three hours talking to the leader of North Korea, Kim Jong-il. What was his impression of him? **CLINTON:** Well, we're going to get a full debriefing, which we really haven't had the chance to get. **Q:** But you must have spoken to him on the phone. **CLINTON:** Well, I do. I had - I have spoken to him on the phone, but I have this policy, I never talk about what I talk to my husband about, Fared. But I think he's going to be

able to meet with a lot of our Administration officials over the next days and weeks to share his impressions, along with other members of his delegation. Obviously, what we are hoping is that maybe without it being part of the mission in any way, the fact that this was done will perhaps lead the North Koreans to recognize that they can have a positive relationship with us. I mean, remember, when I first went to Japan and South Korea and China right out of the box as Secretary of State, I said, look, we have to get back to the full and verifiable denuclearization of the peninsula, but we want to take steps to move toward normalization with North Korea. **We have no designs on North Korea. We're not, in any way, intending to threaten North Korea in an offensive manner. Our concern is what they do internally that then threatens our allies and our partners and eventually us. It's not a good feeling to see them exporting nuclear technology as they have, or to continue to build up their own capacity.** So we reached out to the North Koreans, made it very clear that we wanted to create that kind of engagement, and they not only rejected it, but they began to take these provocative actions which resulted in the entire international community - most importantly, China - saying, wait, you can't do this. I think they were surprised by that. I think the consequences of the Security Council Resolution 1874 and the sanctions that have been imposed, the most onerous that we have ever had, were quite eye-opening for them. So we're hoping that we can get back to a process that they will participate in with the understanding that yes, we demand that they denuclearize, but we also are not coming empty-handed. If it is full and verifiable, the international community will be responsive.

**Q:** But the Bill Clinton mission, it was unorthodox. I mean, here you have a former president going on what appeared to be a state visit from the way in which he was greeted, being received by North Korea's top nuclear negotiator. It's a mission that was funded by private corporations and individuals. Is this something we - you expect to see more of as a way of reconciling his role in America? **CLINTON:** No, no. I mean, this, as you know, came from the families. I mean, this was a message that Laura and Euna were given by the North Koreans, which they passed on to their families and former Vice President Gore. **Q:** Naming him specifically? **CLINTON:** Naming him specifically. And then they passed it on, obviously, as they should, to the rest of us. And it was not anything Bill was interested in seeking or even contemplating. But of course, when Vice President Gore called and when our Administration evaluated it and began to brief him, he said, look, if you think it's the right thing to do and if you think I should do it, of course I will do it. But it is a private humanitarian mission. It was not in any way an official government mission." (Secretary of State Hillary Rodham Clinton, Interview with Fareed Zakaria, CNN, Nairobi, August 6, 2009, aired August 9)

Bill Clinton's mission to free two journalists has caused consternation in South Korea, where the government is accused of not doing enough to get its own citizens back. North Korea has seized hundreds of South Koreans since the Korean war in the early 1950s. This year the communist state has detained an employee of Hyundai Asan, a South Korean company with interests in the North, and four squid fishermen who strayed across the maritime border when their navigational system broke. "Our government is trying to play down the abductees' issue because they cannot do anything right now. Bill Clinton came to save his country's people but our government is doing nothing," said Kim Young-heon, 18, a student outside a bookshop in Seoul. Park Sun-ja, a leading member of the ruling Grand National party, said Seoul could learn

from Clinton's example and should consider a "special envoy." South Korea makes astonishingly little public show of trying to get its citizens back. By contrast, Japan regards the fate of 12 abductees as a political priority and the media frequently carry interviews with their relatives. Without settling this issue, Japan regards any form of rapprochement with North Korea as impossible. South Korea's government argues it is deliberately pursuing a low-profile campaign to secure the release of the five citizens taken this year, but that this is misinterpreted as a lack of progress. The presidential office said South Korea had asked Clinton to raise the case of its five detainees when he met Kim Jong-il, North Korea's dictator, but there was no immediate indication of how Kim reacted. In a sign that other channels are available, Clinton's trip on Tuesday somewhat obscured a meeting between a senior North Korean official and the chairwoman of Hyundai Asan, whose employee is detained in the North, accused of trying to encourage a woman to defect. (Christian Oliver, "Clinton's N. Korea Success Rebounds on Seoul," *Financial Times*, August 7, 2009, p. 3)

North Korea expressed its willingness to discuss the release of a South Korean worker being held in the communist nation, *Dong-a Ilbo* reported, after Pyongyang freed two American journalists following a trip by former President Bill Clinton. An official from the Unification Ministry refused to either confirm or deny the report, suggesting that it could be true. The daily said that the North has indicated its willingness to negotiate the release of the worker, an employee of Hyundai Asan who is only known by his surname Yu, when the chairwoman of the company, Hyun Jung-eun visits the North next Tuesday. The paper, which cited unidentified government officials, said Hyundai Asan's president Cho Kun-shik plans to travel to the Kaesong industrial complex, and could bring the detained worker home if progress is made in discussions. Hyundai Asan chairwoman Hyun unexpectedly met with Ri Jong-hyuk, vice chairman of the Korean Asia-Pacific Peace Committee in charge of inter-Korean relations, at the Mount Geumgang resort in North Korea on August 4 when she went there to hold a memorial for her husband, Chung Mong-heon, the late Hyundai Group chairman. (*Korea Herald*, "North Willing to Discuss Release of Detained Worker," August 7, 2009)

North Korea since last month has toned down its harsh rhetoric against South Korean President Lee Myung-bak, possibly signaling a change in Pyongyang's policy toward Seoul. Based on an analysis of reports from Pyongyang's Korean Central Broadcasting Station and Radio Pyongyang, the South Korean government said yesterday that the North's slander of President Lee declined 40 percent in number last month. Such attacks had peaked in June, when the U.N. Security Council stepped up sanctions against North Korea after it conducted its second nuclear test. Pyongyang blasted President Lee 293 times in January, 335 in March, and 454 in June but just 275 last month. "North Korea seems to be following our government's request to stop criticizing President Lee to resume sincere inter-Korean dialogue," a Seoul official said. "Not only did the number of denunciations decline but also the level of state organizations that criticized President Lee became lower. In addition, the contents of the denunciations grew milder." (*Dong-A Ilbo*, "N. Korea Tones down Rhetoric Vs. President Lee," August 7, 2009)

Prime Minister Aso Taro stressed the need for Japan to stay under the U.S. nuclear umbrella, while opposition leader Hatoyama Yukio supported President Barack Obama

in seeking a nuclear-free world. "Located next to a country possessing nuclear arms and thinking of making an attack by using them, Japan is in alliance with the United States, which tries to use its nuclear arsenal as a deterrent," Aso told reporters, referring to North Korea, after attending Hiroshima's annual ceremony marking the atomic bombing. "It is not true to say if someone unilaterally abandons them, everyone else will follow," Aso said. "It is unimaginable that nuclear weapons will be altogether abolished around the world." Aso made the comments while reiterating that Japan seeks a nuclear-free world. "Realizing a nuclear-free world as called for by U.S. President Obama is exactly the moral mission of our country as the only state to have been hit with atomic bombs," said Hatoyama, president of the Democratic Party of Japan. (*Japan Times*, "U.S. Nuclear Umbrella Crucial: Aso," August 7, 2009)

8/7/09 Wikileaks: cable: Friday, 07 August 2009, 10:51  
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**TAGS** KNNP, PARM, PREL, NPT, PGOV, PINR, KN, BM  
**SUBJECT: (S) BURMESE OFFICIAL CONFIRMS BURMA-DPRK**  
 "PEACEFUL" NUCLEAR COOPERATION  
 Classified By: CDA Larry Dinger for for Reasons 1.4 (b) & (d)

1. (S) Australian Ambassador to Burma Michelle Chan informed CDA that XXXXXXXXXXXX told her the Burma-DPRK connection is not just about conventional weapons. There is a peaceful nuclear component intended to address Burma's chronic lack of electrical power generation. When Chan cited reports of a Burma-Russia agreement for development of a peaceful nuclear reactor, XXXXXXXXXXXX responded that the agreement with Russia is currently just for "software, training." The DPRK agreement is for "hardware." XXXXXXXXXXXX confirmed reports Burma's Army Chief of Staff (third highest ranking) General Thura Shwe Mann visited the DPRK last November. Asked why Thura Shwe Mann, XXXXXXXXXXXX responded, "Because he is in charge of all military activities." XXXXXXXXXXXX reportedly seemed surprised that the West might be concerned by a Burma-DPRK "peaceful" nuclear relationship. XXXXXXXXXXXX suggested that, after all, given sanctions, Burma really has "no other options" but to develop the relationship with North Korea.

Comment

2. (S) XXXXXXXXXXXX DINGER

8/8/09 Former U.S. President Bill Clinton's dramatic trip to North Korea this week to win the release of two American journalists stands in sharp contrast to Japan's lack of an effective strategy to resolve the fate of its own citizens abducted by Pyongyang. On August 6, a senior U.S. official contacted Chief Cabinet Secretary Kawamura to provide details of Clinton's Pyongyang trip, saying the ex-president called on Kim Jong Il to open an investigation into the yet-to-be-repatriated Japanese abducted by North

Korean agents. Although Kim did not respond to Clinton's request, Kawamura thanked the U.S. official for Washington's support, the Foreign Ministry said. But Kawamura's appreciation is "merely diplomatic protocol," political analyst Kase Hideaki said, adding that many people are pessimistic about the prospects for resolving the abduction issue. Since Pyongyang released the five Japanese, and later let their families reunite with them in Japan, the North has maintained that the rest of the abducted Japanese are dead and has refused to investigate their fates further. Regarding others on Tokyo's list of 17 believed abducted in the 1970s and 1980s, the North maintains that they never entered the country. "It's clear Japan can't solve this stalemate by itself. But it's not like Japan can depend on the U.S.," Kase said. But a change in administration is not expected to shift Japan's position regarding North Korea. The policies of the DPJ and Aso's Liberal Democratic Party are the same. Foreign Ministry officials dread the thought that talks between the U.S. and North Korea could move forward without Japan and other states involved, which would make the chances of resolving the abduction issue even more remote. But while acknowledging the U.S. is the main focus of North Korea's nuclear diplomacy, a senior Foreign Ministry official expressed confidence that Washington will not make decisions without consulting Japan and its other allies first. (Hongo Jun, "Clinton's Success Highlights Japan's Abductee Failures," *Japan Times*, August 8, 2009)

8/9/09

Kissinger op-ed: "Amid the widespread relief that American journalists Laura Ling and Euna Lee have avoided the brutal fate meted out to them by a North Korean court, it may seem captious to consider the long-term implications of President Bill Clinton's trip. The impulse to save two young women from 12 years of hard labor in a North Korean gulag is powerful. Yet now that this goal has been achieved, we need to balance the emotions of the moment against the precedent for the future. It is inherent in hostage situations that potentially heartbreaking human conditions are used to overwhelm policy judgments. Therein lies the bargaining strength of the hostage-taker. On the other hand, at any given moment, several million Americans reside or travel abroad. How are they best protected? Is the lesson of this episode that any ruthless group or government can demand a symbolic meeting with a senior American by seizing hostages or threatening inhuman treatment for prisoners in their hand? If it should be said that North Korea is a special case because of its nuclear capability, does that create new incentives for proliferation? Context matters. ...A visit by a former president, who is married to the secretary of state, will enable Kim Jong Il to convey to North Koreans, and perhaps to other countries, that his country is being accepted into the international community -- precisely the opposite of what Secretary of State Hillary Clinton has defined as the goal of U.S. policy until Pyongyang abandons its nuclear weapons program. Already, speculation is rife that the Clinton visit inaugurates the prospect of a change of course of American policy and of a bilateral U.S.-North Korea solution. **But two-party talks outside the six-party framework never made any sense.** North Korean nuclear weapons threaten the North's neighbors more than they do the United States. The other members of the six-party talks are needed to help enforce any agreement that may be made or to sustain sanctions on the way to it. These countries should not be made to feel that the United States uses them as pawns for its global designs. To be sure, the Obama administration has disavowed any intentions for separate, two-power talks. But the other parties will be tempted to hedge against the

prospect that these assurances may be modified. That feeling is likely to be particularly strong in Japan, where a national election campaign is underway and where Tokyo already feels it has secured inadequate support on behalf of Japanese citizens abducted by North Korea. The pains the Obama administration has taken to cast the Clinton mission as a private, humanitarian visit and the restrained manner in which the trip was conducted demonstrate an awareness of those risks. Though the distinction between private and public is likely to prove elusive when concerning a former president who is the spouse of the secretary of state, the administration is still in a position to achieve a beneficent long-term outcome. The root cause of our decade-old controversy with Pyongyang is that there is no middle ground between North Korea being a nuclear-weapons state and a state without nuclear weapons. At the end of a negotiation, North Korea will either destroy its nuclear arsenal or it will become a de facto nuclear state. So far, Pyongyang has used the negotiating forums available to it in a skillful campaign of procrastination, alternating leaps in technological progress with negotiating phases to consolidate it. We seem to be approaching such a consolidating phase. North Korea may return to its well-established tactic of diverting us with the prospect of imminent breakthroughs. This is exactly what happened after the Korean nuclear weapons test in 2006. Pyongyang undoubtedly will continue seeking to achieve de facto acceptance as a nuclear weapons state by endlessly protracted diplomacy. The benign atmosphere by which it culminated its latest blackmail must not tempt us or our partners into bypaths that confuse atmosphere with substance. Any outcome other than the elimination of the North Korean nuclear military capability in a fixed time frame is a blow to nonproliferation prospects worldwide and to peace and stability globally. (Henry A. Kissinger, "The North Korea Fallout," *Washington Post*, August 9, 2009, p. A-17)

No one in Washington will admit – at least on the record – that "containment" has become the primary objective; indeed, the government's official goal is still "complete, verifiable nuclear disarmament," wording drawn from the Bush era. But few of Mr. Obama's aides, some of whom have wrestled with North Korea for two decades, believe that the North will ever give up everything in its nuclear panoply – or that the outside world could ever be sure that it had. The more immediate, and practical, goal, then, is to neutralize Mr. Kim's ability to reap cash and power from exporting its know-how for building a crude nuclear device. Obama has said that when North Korea is ready to return to six-nation talks, so is he. But several top officials acknowledge being surprised by North Korea's move early this year to throw out the agreements reached at the end of the Bush era, restart its nuclear plant and test another nuclear weapon. And that has led them to toughen some of the pressure on Pyongyang. There is new attention, for example, on shutting down North Korean bank accounts and suppliers. There are new sanctions against several firms that have been financing North Korea's missile trade, including an Iranian company. Under the United Nations resolution, member nations are being pressed to deny North Korean ships fuel and food unless their cargoes are inspected. Still, intelligence about North Korean activities is notoriously poor, and there are unconfirmed reports that the North is helping the Burmese build a reactor in their country. But perhaps the greatest risk in a containment strategy is one of inconsistency. Two Bushes, two Clintons and President Obama himself have vowed that the world will never tolerate a nuclear North Korea. If America does end up tolerating it, the Iranians

will take notice. Which is why Israeli officials bring up North Korea whenever American officials talk to them about Iran's nuclear ambitions. You Americans can try containment with North Korea, they say; it's your problem. But don't try to extend the concept to Iran. (David E. Sanger, "Coming to Terms with Containing North Korea," *New York Times*, August 9, 2009)

North Korea is praising North Korean leader Kim Jong-il's youngest son for having former U.S. President Bill Clinton's come to Pyongyang last week to fetch two American journalists, sources well informed about the North said Sunday, apparently to build up the achievements of the heir-apparent. The North's National Security Agency, a spy agency and powerful organ of the North Korean leadership, claimed in a recent lecture that Clinton had to come and apologize before the North Korean leader because of the "outstanding tactics" of Kim Jong-un, the sources said. The sources said the North Korean spy agency has also begun referring to Jong-un as a "general." (Yonhap, "N. Korea Credits Heir-Apparent for Clinton's Trip to Pyongyang," August 9, 2009)

National Security Adviser Jim Jones: "**CHRIS WALLACE:** General, what have you learned from President Clinton's trip to North Korea this week to bring back those two journalists? Did Kim Jong-il or any of the other top officials in their meetings indicate they want a new relationship with the U.S.?" **JONES:** Well, as you know, Chris, this was a private mission and one that the – I think the – we're all grateful to the former president for taking it on. ... But the former president and the leader had about a 3.5-hour discussion. Reportedly, they discussed the importance of denuclearization in terms of weapon systems of the North Korean Peninsula – of the Korean Peninsula, and – in addition to, you know, talking about other things that the former president may have wished to discuss. **WALLACE:** But did – in that meeting – as you say, it was over three hours. Did the North Koreans indicate they want a new relationship with the U.S.? And did they specifically ask for direct talks rather than going back to the six-party talks? **JONES:** North Koreans have indicated that they would like a new relation – a better relation with the United States. They've always advocated for bilateral engagement. We have put on the table in the context of the talks we would be happy to do that if, in fact, they would rejoin the talks. **WALLACE:** We would have – be willing to have bilateral talks in the context of the six-party...**JONES:** Within the context of the – of the six-party talks. **WALLACE:** What did we learn about Kim's health and his hold on power from the Clinton trip? **JONES:** Well, we're still very much debriefing the party that went with President Clinton. But preliminary reports appeared that the – that Kim Jong-il is in full control of his organization, his government. The conversations were respectful and cordial in tone. **WALLACE:** But he's still in charge? **JONES:** And he certainly is – he certainly appears to still be the one who's in charge. **WALLACE:** Can you assure the American people that all that the North Koreans got from this trip in exchange for the two American journalists – that all they got from this trip was the photo-op, that there were no secret concessions from the United States? **JONES:** I can do that with absolutely a straight face. There was no official message sent via the former president, and there were no promises, other than to make sure that the two young girls were reunited with their families." (Gen. Jim Jones, *Fox News Sunday* with Chris Wallace, August 9, 2009) "**DAVID GREGORY:** Big news; North Korea, the two American journalists back home. This was the scene as it played out in Los Angeles on



Wednesday, former President Bill Clinton accompanying the two journalists back home. He has since come back east and you have been able to fully debrief him. What can you say you have now learned about North Korea and specifically Kim Jong Il?

**JONES:** Well, I think that first of all I want to emphasize this was a private mission. And we can get into that if you'd like. But this was a private mission where--in, in which there were no official or unofficial messages sent by this government or by President Obama. So we celebrate the fact that we've had these--this great reunion and--but we can say that--we can also report that the president did--former president did spend time with the Korean leader, that he appeared to be in control of his government and, and his--he sounded very, very reasoned in terms of his conversation. **GREGORY:** His health is a big issue, right? **JONES:** His health is a big issue, but obviously we didn't have any time to make an assessment there. But he seemed in control of his faculties. And the president, the former president was able to engage him on a number of subjects. As you know, he had very--relationship with his father and--when he was in the--when he was--when the president was in office, and so he was able to convey his own, his personal views with regard to the importance of the issues of the moment, which is making sure that nuclear weapons do not appear on the Korean Peninsula. **GREGORY:** Well, let's talk about that, the nuclear issue. It must have come up during their conversations. What was said? **JONES:** Well, I think--I don't want to speak for President Clinton. We're in, in the process of getting, getting his thoughts as well, we haven't completely finished with that. But, but it's clear thus far that he did press home the fact that if North Korea really desired to rejoin the family of nations in a, in a credible way, that the, the, the way forward is not to, to build nuclear weapons and to rejoin the, the six party talks, and within the context of those talks that they could have a dialogue with the United States. ...**GREGORY:** Did they give an indication to the former president that that's changed, that they might be willing to come back now? **JONES:** I, I think time will tell on that, David, to be honest. But I, I'm quite sure the former president was very articulate and persuasive, that the North Koreans know exactly what the world, the global community, particularly the members of the six party talks expect, and there is a path for them to, to, to move forward. ... **GREGORY:** But it had to be Bill Clinton; couldn't be Al Gore, couldn't be somebody else? **JONES:** They specified Bill Clinton. And, and so the president said, well, let's see if former President Clinton'd be willing to do this thing." (Jim Jones, NBC Meet the Press, August 9, 2009)

8/10/09

Indian authorities were inspecting a North Korean ship detained in the Bay of Bengal for nuclear material or fuel, officials said, the first time a North Korean ship has been boarded under new U.N. Security Council sanctions. A preliminary investigation by a team of nuclear scientists failed to detect any radioactive presence on board the ship carrying a huge sugar consignment, Ashok Chand, a senior police officer in India's Andaman and Nicobar islands, told Reuters. "There will be more checking today and we will open the hatch to check the entire consignment for any radioactive material," Chand said. The MV Mu San dropped anchor off Hut Bay island in the Andaman islands on Wednesday without permission and was detained by the coastguard after a more than six-hour chase. (Sanjib Kumar Roy, "India Inspects North Korea Ship for Nuclear Material," Reuters, August 10, 2009) The ship anchored in the Andaman and Nicobar Islands in the Bay of Bengal last week. Adm. Sureesh Mehta of the Indian Navy told reporters in Delhi over the weekend that "the ship had no business to be there." Indian

officials said it was carrying more than 16,000 tons of sugar bound for the Middle East. But the ship's proximity to Myanmar and the fact that it had no reason to be in the area raised suspicions. After two days of search and of questioning the crew, India's Navy and Coast Guard handed the ship over to police and intelligence services, having found no evidence of illegal cargo, reported Press Trust of India. (Lydia, Polgreen, "North Korea Ship Seized in First Use of U.N. Rule," *New York Times*, August 11, 2009, p. A-9)

DPRK FoMin spokesman: "It was reported that south Korea would launch a satellite soon with the technical cooperation from Russia. Four months ago parties to the six-party talks brought up the DPRK's satellite launch for a scientific purpose to the United Nations Security Council for discussion and "denounced" it and applied "sanctions" against it. This resulted in violating the principle of respect for sovereignty and equality, the life and soul and basis of the talks, and bringing them to an end. We will closely watch if the above-said parties will also refer south Korea's satellite launch to the UNSC. Their reaction and attitude towards south Korea's satellite launch will once again clearly prove whether the principle of equality exists or has collapsed." (KCNA, "Spokesman for Foreign Ministry Clarifies Stand on S. Korea's Projected Satellite Launch," August 10, 2009)

8/11/09

The U.S. Department of the Treasury today designated the Korea Kwangson Banking Corp. (KKBC) under Executive Order (E.O.) 13382 for providing financial services in support of both Tanchon Commercial Bank (Tanchon) and Korea Hyoksin Trading Corporation (Hyoksin), a subordinate of the Korea Ryonbong General Corporation (Ryonbong). KKBC is based in North Korea and has operated at least one overseas branch in Dandong, China. Tanchon and Ryonbong, were identified by the President as weapons of mass destruction (WMD) proliferators and listed in the Annex to E.O. 13382 in June 2005, and Hyoksin was designated by Treasury in July 2009 for being owned or controlled by Ryonbong. All three entities have been designated by the UN pursuant to UN Security Council Resolution (UNSCR) 1718 for their roles in North Korea's WMD and missile programs. E.O. 13382 freezes the assets of proliferators of WMD and their supporters and prohibits U.S. persons from engaging in transactions with them, thereby isolating them from the U.S. financial and commercial systems. "North Korea's use of a little-known bank, KKBC, to mask the international financial business of sanctioned proliferators demonstrates the lengths to which the regime will go to continue its proliferation activities and the high risk that any business with North Korea may well be illicit," said Under Secretary for Terrorism and Financial Intelligence Stuart Levey. (Jeannine Aversa, "Treasury Designates Financial Institution Tied to North Korea's WMD Proliferation," Associated Press, August 12, 2009)

8/12/09

In a change of its hawkish tone toward North Korea, the ruling GNP showed a softer stance, urging the government to prepare measures to improve inter-Korean relations. The call came after Hyundai Group Chairwoman Hyun Jung-eun visited the North in a bid to win the release of a South Korean worker detained there and possibly break the icy relations between the two Koreas. "Hyun might have discussed the resumption of the tour program to Mt. Geumgang as well as the detainee issue," GNP spokesman Yoon Sang-hyun said. "The government needs to map out measures to enhance inter-Korean relations when she returns." Hyun crossed into the secretive state August 10,

seeking to free a Hyundai employee working in the Gaeseong Industrial Complex. The 44-year-old Yu was detained on March 30 for allegedly making derogatory comments about the North Korean regime and attempting to incite a woman to defect to the South. He has been held in the North for 136 days, and South Korean officials have not been allowed any contact with him. The Hyundai chief's four-day trip to the reclusive state has raised hopes for his freedom, after former U.S. President Bill Clinton brought two detained journalists back to the United States after a rare meeting with North Korean leader Kim Jong-il. Hyun originally planned to stay for three days, but extended her visit to four without providing any reasons. (Kim Sue-young, "Ruling Party Moves to Mend S-N Relations," *Korea Times*, August 12, 2009)

North Korea wants the next Japanese administration after the upcoming general election to drop Tokyo's "hostile" policy toward Pyongyang through the lifting of sanctions and other ice-thawing measures, Ro Jong Su, a director-level researcher at the Foreign Ministry, said in an interview with Kyodo News in Pyongyang. Ro dismissed the claim in some circles in the United States that Japan and South Korea could go nuclear unless the international community stops Pyongyang's nuclear development, calling such a claim "outrageous" and "far from the reality." Rebutting argument by some circles in the United States that Japan and South Korea could go nuclear due to the perceived threat posed by North Korea, Ro said, "Nobody will believe the claim that Japan and South Korea are exposed to 'nuclear threat' because they are under the 'nuclear umbrella' of the United States, which has the biggest number of nuclear weapons in the world." He said, "Japan and South Korea are effectively the same as nuclear powers because they are protected by the U.S. nuclear umbrella and U.S. military forces stationed in the countries." North Korea has never been provided with any nuclear umbrella to cope with what it views as the U.S. nuclear threat, the researcher said. "So we have no choice but to possess nuclear (weapons) to fill the nuclear vacuum in the region," he said. Similarly, Ro criticized some forces in Japan who advocate that it should go nuclear, saying such an argument "is not intended to protect the country, but to arm the country with nuclear weapons by using us as an excuse." Ro repeated North Korea's stance that it will never return to the six-party talks on denuclearizing Pyongyang, suggesting the country will seek bilateral talks with the United States to address the North Korean nuclear standoff. Citing moves by the United States, Japan and South Korea to bring the matter of North Korea's rocket launch in April before the U.N. Security Council, Ro said the six-party talks mechanism has turned into a forum that seeks to "block our country's normal economic development." "If (others) call for resumption of the six-party talks without seeing through the real nature of the problem, it does not help to ease tensions in the Korean Peninsula," he said. "It will only worsen the situation." He also said Japan's "hostile" policy has made it difficult for North Korea to launch a fresh investigation into cases of abduction of Japanese nationals, which the two sides agreed to at bilateral talks a year ago in China. Asked about a potential change of power in Japan following the Aug. 30 House of Representatives election, Ro said, "No matter what sort of an administration will emerge, we want to see a change in Japan's current (North) Korean policy." Ro said bilateral relations have fallen into "the worst level," criticizing Japan's recent actions such as strengthening bilateral sanctions, asking the United States not to remove North Korea from its terrorist sponsors list and leading U.N. Security Council talks to slap stricter sanctions on Pyongyang in response

to its rocket launch in April. "Unless Japan abandons such anti-(North) Korea policy, we don't expect to see any change in the current (North) Korea-Japan relations," he said. "Japan may believe it can draw some concession from us by imposing pressure. But that is wrong." It was the first time that a North Korean Foreign Ministry official in charge of Japanese affairs has spoken to the media since Kyodo News conducted a similar interview in November last year in Pyongyang. (Kyodo, "N. Korea Urges Japan to Drop 'Hostile' Policy, Sanctions after Election," August 12, 2009)

A South Korean government official said the U.S. told Seoul and other countries after former President Bill Clinton's visit to the North to free two U.S. journalists that it will take some more time before a final conclusion because a meeting between President Barack Obama and Clinton has not taken place yet. Another South Korean government official said while North Korea toned down provocative rhetoric, there is no basis for taking this for commitment to the irreversible nuclear dismantlement the U.S. is demanding before it improves ties. "The ball is still in North Korea's court and the prevailing consensus in the international community is that sanctions should remain in place until the North demonstrates a change in attitude." During their three-and-a-half hour meeting last Wednesday, North Korean leader Kim Jong-il told Clinton according to sources that he wanted new and better relations with Washington, but stressed the U.S. should first abandon "hostile policies" against the North. "This was no more than a repetition of what North Korea has been saying for the past 50 years," commented a source. (*Chosun Ilbo*, "No Change in N. Korea's Attitude," August 12, 2009)

WikiLeaks cable: Thursday, 13 August 2009, 08:54  
SECRET ULAANBAATAR 000234  
STATE FOR EAP/CM AND EAP/K; NSC FOR JEFF BADER  
**EO 12958** DECL: 08/13/2034  
**TAGS** PREL, PGOV, MOPS, KNNP, MG  
**SUBJECT: MONGOLIA'S CONSULTATIONS WITH DPRK VICE FOREIGN MINISTER** KIM

Classified By: Political Counselor Andrew K. Covington, Reasons 1.4 (b) and (d)

### **Summary**

A senior Mongolian official says that in recent talks with North Korea, the latter made clear it wanted bilateral talks with the US and Bill Clinton's visit had improved the chances of that happening. The six-party talks were no longer an option. Key passage highlighted in yellow.

1. (S) Summary: On **August 12**, Mongolian Ministry of Foreign Affairs and Trade (MFAT) Deputy Director for Asian Affairs J. Sukhee briefed poloff on the annual Mongolia-DPRK consultations that concluded on August 11. **MFAT State Secretary Tsogtbaatar led the Mongolian side, and the North Koreans met with President Elbegdorj on the sidelines of the consultation. Sukhee noted DPRK delegation head Vice Foreign Minister Kim Yong Il spent much time on the nuclear issue** and little on the bilateral relationship with Mongolia. Key themes on the part of the DPRK were the lack of criticism of the United States, indications that the DPRK is seeking bilateral talks with the

USG on normalization of relations, that the recent travel of former President Clinton to Pyongyang has greatly improved the prospects for such talks, that Mongolia would be an appropriate venue for these talks, and that the Six Party Talks are no longer an option. End Summary.

2. (S) Poloff met with MFAT Deputy Director for Asian Affairs J. Sukhee on August 12 to discuss Mongolia's annual bilateral consultations with the DPRK. Sukhee was present at the consultations and has been involved with Korean affairs as a diplomat since 1985. Sukhee was candid in his meetings with poloff, referring repeatedly and openly to his handwritten notes from the DPRK consultations.

#### DPRK DELEGATION OFFERS NO CRITICISM OF U.S.

3. (S) Sukhee indicated that VFM Kim met with MFAT State Secretary Tsogtbaatar for the consultations and also held a separate meeting with President Elbegdorj on the margins Monday. The Mongolian Deputy Foreign Minister was to lead this latter meeting but was unable due to an obligation. **Sukhee said the meetings were notable for several reasons: the DPRK delegation did not read from a prepared script, they were not aggressive and made no criticism of the United States, and they criticized China and Russia "three or four times" for supporting recent UN Resolutions aimed at the DPRK.** What follows in paras 4 through 12 is Sukhee's description to poloff of the DPRK's statements during the course of the consultations:

#### DPRK VFM ON DENUCLEARIZATION

4. (S) VFM Kim said the DPRK is spending too much on weapons rather than on its children, but that the current reality dictates that they cannot get away from weapons for now. Kim said the DPRK is not a threat and was only interested in self-protection. **The Mongolian side expressed concern that a nuclear DPRK could lead to a nuclear ROK, Japan, Syria, and Iran, and urged that the Mongolian nuclear-free model could serve as an example. Kim stated the United States would not allow Japan or the ROK to go nuclear and that the DPRK is committed to peace and denuclearization.**

5. (S) The Mongolians offered the example of the Soviet Union and the United States during the Reagan-Gorbachev era, when the two allowed for nuclear inspections, leading to improved trust and a reduction in the number of warheads. The Mongolians stated that if they were in the DPRK's place now, they would allow inspections, which would lead to mutual confidence and improved relations. The DPRK side offered no reaction to the suggestion.

6. (S) **The DPRK side said what is most important is for the United States and the DPRK to come up with a "common language," a "non-aggression agreement," and establishment of diplomatic relations. Kim stated if the sides can take such measures, then denuclearization will be possible and easy, and that relations with Japan and the ROK will normalize thereafter.**

7. (S) The Mongolian side counseled that recent "provocations" (this is Sukhee's word to poloff; another word may have been used in the consultations) such as the missile test meant that the present situation was very fragile, and that the DPRK should be careful not to present the wrong signal. Kim agreed that the DPRK must be careful and must build confidence. The Mongolians stated that even if one has peaceful intentions, one can be seen as provocative.

#### ON BILATERAL TALKS WITH THE U.S.

8. (S) Regarding former President Clinton's recent travel to the DPRK to secure of the release of the two journalists, Kim said this action had been prepared for a long time, meaning the groundwork for such a visit was already in place because of the progress the United States and the DPRK made during the Clinton presidency. *Kim said forward motion stopped during the Bush Administration but was now able to proceed because of President Clinton's recent involvement in a personal capacity, because President Obama is of the same party, and because former First Lady Clinton is now the Secretary of State.* **The North Koreans were expecting a dialogue with the United States to start soon as an extension of President Clinton's visit.**

9. (S) Kim asked the Mongolians to support a U.S.-DPRK dialogue (Sukhee described Kim as "enthusiastic" at this point), and he stated "there are no eternal enemies in this world."

#### ON THE SIX PARTY TALKS

10. (S) **Kim took a "very hard line" on the Six Party Talks according to Sukhee, stating that the DPRK will never return to the talks, that the talks were dead, but that the door has not closed on an opportunity for negotiations. During discussion of the Six Party Talks, Kim criticized Russia and China for their support of recent UN resolutions aimed at the DPRK.** Kim said Japan and the ROK were natural allies of the United States during the talks, and that Russia and China ended up supporting the other three, so that **the DPRK felt it was five against one.** Kim stated the real intention of the Six Party Talks was to destroy the DPRK regime, and that at present the DPRK wants to talk only to the United States.

#### VFM KIM'S MEETING WITH PRESIDENT ELBEGDORJ

11. (S) Sukhee also provided insight into Kim's meeting with Elbegdorj on August 10: **Kim refrained from criticizing the United States and stated the DPRK would be happy if the GOM could support a U.S.-DPRK dialogue "in the international arena."** Kim said to Elbegdorj, "We are telling you all this because Mongolia understand us." Kim reiterated the notion that there is a "good personal understanding" between former President Clinton and DPRK leader Kim Jong-Il.

#### HOW ABOUT U.S.-DPRK TALKS IN MONGOLIA?

12. (S) **Sukhee further noted that a counselor named Choi from the DPRK Embassy in Ulaanbaatar told Sukhee on the way to the airport on August 11 that he had suggested to VFM Kim that it would be good to host U.S.-DPRK talks in Mongolia, but that Kim offered no reaction.** Choi also told Sukhee that the timing was right to establish a regional security mechanism whose organization the Mongols should spearhead. MINTON

8/13/09

After 137 days of captivity in North Korea, a South Korean engineer crossed the inter-Korean border into freedom. While Yu Song-jin, the 44-year-old employee of Hyundai Asan, returned, Hyundai Group Chairwoman Hyun Jeong-eun, who traveled to the North earlier this week to win his release and to discuss inter-Korean business programs, remained on the other side of the border. "Hyundai Asan was given custody of Yu around 5:10 p.m." Chun Hae-sung, spokesman for Seoul's Unification Ministry, said. The situation took a dramatic turn on Monday when Hyun crossed the inter-Korean border to win her employee's release. Her trip was also seen as Hyundai's bid to save its company from snowballing losses incurred by stalled inter-Korean business programs, such as tours to Mount Kumgang and Kaesong. Hyundai Asan President Cho Kun-shik also crossed the border and headed to the Kaesong Industrial Complex yesterday morning. "Taking into account past practices, the North could have wanted a 'ransom,' such as economic aid, but this time, the North sent a message to the South by releasing him first and asking for a reciprocal action," said Suh Jae-jin, head of the Korea Institute of National Unification. "That's a dramatic change," he said. (Ser Myo-ja, "North Frees Hyundai Asan Engineer," *JoongAng Ilbo*, August 14, 2009)

8/15/09

President Lee Myung-bak speech: "I would also like to take this opportunity to urge North Korea once again to realize that nuclear weapons cannot guarantee its security, but rather are an obstacle to a better future for them. I hope the North and South will have a candid and frank dialogue about what it will take for North Korea to give up nuclear weapons. I hope to find a way that allows North Korea to defend itself, but also allows both the North and South to prosper together. When the North shows such determination, my administration will come up with a new peace initiative for the Korean Peninsula. We will actively seek an international cooperative program to ensure economic development in the North to enhance the quality of life for the North Korean people. We will establish a high-level meeting between the two Koreas to realize a common economic community in the coming years and will pursue development projects focused on five major areas: the economy, education, finance, infrastructure and quality of life in cooperation with other countries and international organizations. Along with the denuclearization of the Korean Peninsula, a reduction in conventional weapons must also be discussed. It is unprecedented for such numbers of heavy artillery and troops to be amassed along the narrow four-kilometer-wide DMZ for more than half a century. How can we possibly talk about reconciliation and cooperation when we are on trigger alert with millions of weapons aimed at each other? Only when we reduce the number of weapons and troops and redeploy them to the rear, will we be able to take a step forward to genuine peace. In addition, if the North and South reduce conventional weapons and troops, enormous resources will be freed up to improve the economies on both sides. Now is the time for the North and South to come to the table and talk about these issues. I would like to say clearly that my Administration

is ready to start talks and cooperation with the North over all issues between us, at any time, at any level." (Speech on the 64<sup>th</sup> Anniversary of National Liberation, August 15, 2009)

8/16/09

Statement by a spokesman for the Panmunjom Mission of the Korean People's Army: "The maneuvers for a nuclear war projected by the U.S. imperialists and the Lee Myung Bak group of traitors are by no means a demonstration of military muscle of defensive nature as they are not aimed at coping with someone's "threat" and defending the "security" on the Korean Peninsula. To insist that the military exercises are of "defensive" nature is nothing but sheer sophism. ...Should the U.S. imperialists and the Lee Myung Bak group threaten the DPRK with nukes, it will retaliate against them with nukes. If they threaten the DPRK with missiles, it will react to them with missiles. If they tighten "sanctions" and push "confrontation" to an extreme phase, the DPRK will react to them with merciless retaliation of its own style and an all-out war of justice." (KCNA, "Spokesman for the KPA Panmunjom Mission Denounces Projected U.S.-S. Korea Joint Military Exercises," August 16, 2009)

North Korea and Hyundai Group agreed to resume their inter-Korean tourism projects and facilitate operation of the joint industrial park in the North's border town of Kaesong. The two sides also agreed to arrange the reunions of separated families and relatives at Mount Kumgang on the day of Chuseok this year, according to a joint media statement released by the North early August 17. "Kim Jong Il, chairman of the DPRK National Defense Commission, on August 16 granted a long audience to and had a cordial talk with Hyon Jong Un, chairperson of the Hyundai Group, and her party on a visit to Pyongyang, and complied with all her requests. Accordingly, the Korea Asia-Pacific Peace Committee and the Hyundai Group will execute as follows: 1. It was decided to resume the suspended tourism of Mt. Kumgang as soon as possible and launch the tour of Pirobong, the highest peak in the mountain. All necessary facilities and security for tourism will be reliably provided according to the special measure taken by Kim Jong Il, chairman of the National Defense Commission. 2. It was decided to restore land passage of the south side's personnel through the Military Demarcation Line and their stay in the north side's area as they were according to the spirit of the historic October 4 declaration. 3. It was decided to resume the tourism of Kaesong soon and energize the operation of the Kaesong Industrial Zone as the land passage through MDL is put on a normal basis. 4. The Hyundai Group decided to begin tourism of Mt. Paektu in accordance with the progress of its preparations. 5. It was decided to provide reunion of separated families and relatives from the north and the south in Mt. Kumgang on the day of Chusok (harvest moon day), a folk holiday of the Korean nation, this year. Both sides expressed will to improve the north-south relations and further develop the cooperation for the common prosperity of the nation under the historic June 15 joint declaration and the October 4 declaration." (Reuters, "Text, North Korea Border Agreement with South," August 17, 2009) The chairwoman of Hyundai Group said that she met with North Korean leader Kim Jong-il for four hours over luncheon for extensive discussions on ways to improve inter-Korean relations. "My luncheon meeting with Chairman Kim proceeded in a friendly atmosphere. We exchanged views on the resumption of the joint tourism project at Mount Kumgang and other pending issues," Hyun Jeong-eun said in a news conference after returning home from a weeklong trip



to North Korea. "(Hyundai) will push to enforce the latest agreements with the North through close consultations with the (South Korean) government," said Hyun, refusing to elaborate further on details of her dialogue with the reclusive North Korean leader, held at Mount Myohyang, north of Pyongyang. The Hyundai chief also said she is optimistic about the release of four South Korean fishermen who have been detained in the North since July 30 after their boat strayed across the maritime border. "I recommended government-level dialogue on the issue of releasing detained fishermen. I think the issue will be settled well," Hyun said at a press conference held at the Inter-Korean Transit Office near the border. (Yonhap, "Hyundai Chief Rosy about Inter-Korean Ties after Lengthy Meeting with Kim," August 17, 2009) "The government views Hyundai Group's joint statement with North Korea in a positive way, but it is at the non-governmental level," Unification Ministry spokesman Chun Hae-sung said. "For this agreement to be realized, the governments of South and North Korea need to reach a concrete agreement through dialogue." (Kim Hyun, "S. Korea Says Hyundai-N.K. Agreement 'Positive,' Calls for Dialogue," August 17, 2009) KCNA: KCNA: "General Secretary Kim Jong Il Sunday received Hyon Jong Un, chairperson of the Hyundai Group of south Korea, and her party on a visit to Pyongyang at the invitation of the Korea Asia-Pacific Peace Committee. ...Kim Jong Il expressed thanks for this and had a cordial talk with her in an atmosphere of compatriotic feelings, remembering the predecessors of the Hyundai Group with deep emotion. Then he gave a luncheon for the chairperson and her party. Present there was Kim Yang Gon, chairman of the Korea Asia-Pacific Peace Committee." (KCNA, "Kim Jong-il Receives Head of S. Korean Hyundai Group," August 16, 2009)

The Japanese government has decided to deploy Patriot Advanced Capability 3 surface-to-air interceptor missiles at all six anti-aircraft artillery units across Japan against the threat of North Korean ballistic missiles, *Sankei Shimbun* reported. Currently, PAC3 missiles are deployed at three nationwide Air Self-Defense Force units to defend the Tokyo metropolitan, Kansai and Kyushu regions. But the Japanese government decided to deploy them at the other three units to defend the entire country in view of North Korea's improved missile capabilities, the daily said. The three new units are Hokkaido, Okinawa, and Aomori in Tohoku. The country's Defense Ministry plans to ask for money from next year's budget for the plan. (Chosun Ilbo, "Japan to Set up More Patriot Missiles against N. Korea," August 17, 2009)

8/17/09

John Park, USIP: "An important distinction that needs to be made at the outset is that there are two main types of financial sanctions that are currently being applied to North Korea. The first are UN Security Council Resolution (UNSCR) 1874 financial sanctions. UNSCR 1874 not only reaffirms UNSCR 1718 financial sanctions (passed in October 2006) following North Korea's first nuclear test), they provide for robust implementation – a feature lacking in UNSCR 1718's track record. Washington views the multilateral implementation of UNSCR 1874 financial sanctions as the most effective way to pressure Pyongyang to return to multilateral talks....The second type is U.S. Treasury Department financial sanctions. Signed by President George W. Bush in June 2005, Executive Order 13382 authorizes U.S. government agencies to freeze the assets of WMD proliferators and their supporters, and isolate them financially. ...While there is a wide difference in opinions regarding the impact of these sanctions, the common characteristic in these

divergent views is that they are based more on individuals' intuition and experience, rather than facts. On the one hand, seasoned non-governmental organization (NGO) officials who run recurring projects in North Korea argue that these measures have a marginal impact as the North Korean regime has adapted to earlier financial sanctions by moving most of its major financial and commercial activities to the Chinese side of the Sino-DPRK border. In doing so, they are reported to have become less susceptible to U.S. tactics of dissuading North Korea's business partners – both current and prospective – from doing deals with the reclusive regime. (With Beijing unlikely to substantively enforce sanctions for fear of destabilizing North Korea, the northeastern Chinese provinces constitute a haven for DPRK state trading company transactions.) These NGO officials particularly cite the Banco Delta Asia (BDA) incident in Macao in the mid-2000s as an important lesson for Pyongyang – one that led to adjustments and modifications in the regime's ever evolving responses to U.S. sanctions. The other group, comprising mostly current and former U.S. government officials, asserts that these financial sanctions are effective and only target specific North Korean companies and individuals. Following forensic financial investigations conducted by Treasury Department and U.S. law enforcement officials in Macau in the early 2000s, the U.S. government compiled detailed information about DPRK state trading companies and their links to the Korean Workers' Party (KWP) and the Korean People's Army (KPA). These officials point out that such careful targeting means that the North Korean people are not affected by the implementation of financial sanctions. U.S. officials view recent North Korean offers to engage Seoul and Washington in separate bilateral dialogues as a clear sign that these financial sanctions have teeth and are working as intended. However, former U.S. government officials who worked on these early Treasury Department financial measures note that the Kim Jong-il regime is adept at creating shell companies that disguise the activities of DPRK state trading companies. Consequently, the map of DPRK state trading company linkages based on prior forensic financial investigations may no longer be as useful as it once had been. If financial sanctions indeed turn out to have been ineffective, Washington's overestimation of, and over-reliance on, this particular policy instrument may leave the international community in a more difficult situation – i.e., a worst case scenario in which Pyongyang has increased the size of its nuclear arsenal and has also spread nuclear technology to other countries like Iran and Burma. If UNSCR 1874 and Treasury Department financial sanctions turn out to have an impact on the Kim Jong-il regime, there may also be unintended consequences. Four hypotheses can be tested over time as events unfold and certain types of activity emerge. First, if financial sanctions end up constricting the revenue streams of key KPA- and KWP-affiliated companies, then they may inadvertently lead to a disruption in the balance of power among different groups comprising the DPRK leadership as some groups' business interests are truncated and others remain largely unaffected. Kim Jong-il or his successor could then be in the difficult position of having to redistribute business lines among KPA and KWP organizations for political considerations in an environment where the "North Korea, Inc." commercial pie is already shrinking. Existing rivalries and tensions could be exacerbated by such a politically motivated commercial redistribution. Second, if revenue streams dry up as a result of effective financial sanctions, then depleted Kim Jong-il regime coffers may eventually be replenished by the government and military's confiscation of goods at the provincial and county levels inside North Korea. In this scenario, the financial sanctions

would affect the regime first. Through desperate compensatory measures like state-authorized confiscation, the secondary and tertiary effects of financial sanctions may be devastating for the North Korean people at the local levels. Reports about widespread seizures of goods in markets by state authorities may support this hypothesis. Third, if a financial sanctions-weakened Kim Jong-il regime starts to stumble, Beijing may initiate a discreet policy of bailing out key DPRK state trading companies in an effort to ward off instability in a strategic bordering country. Cognizant of which DPRK state trading companies provide funds to elite branches of the KWP and the KPA, and specifically Kim Jong-il's inner circle, Beijing may make politically driven decisions regarding which companies it will prop up. In doing so, an increasingly isolated North Korea with no viable options may reluctantly grow more dependent on China. How Pyongyang decides to recalibrate its standing with Beijing in this situation may lead to a new round of brinkmanship in this complex bilateral relationship. Many PRC analysts assert that North Korea's first nuclear test in October 2006 was a political message for Beijing that Pyongyang will not be pushed around by its Chinese neighbor – a sentiment that apparently grew after a pattern emerged where Beijing, at the behest of Washington, increasingly pressured Pyongyang to make progress on denuclearization. Fourth, if financial sanctions result in fewer countries doing business with North Korea because of fears of being disconnected from the U.S. financial system, then new transnational criminal organizations may appear as prospective business partners. Such counterparties may emerge, attracted by the ability to either charge more fees for doing financial transactions on Pyongyang's behalf or offering significantly less for North Korean products knowing that there are no other buyers. What makes these transnational criminal syndicates hard to detect is their ability to use a sophisticated collection of shell companies and underground networks, mostly in former Soviet bloc countries and failed states. Like the Hydra of Lerna, cutting off one of Pyongyang's current business partners may result in more growing in its place." (John S. Park, Director of the Korea Working Group at the U.S. Institute of Peace, "An Initial Assessment of the Potential Effects of Financial Sanctions on North Korea, Ilman Forum for International Affairs and Security, August 17, 2009)

8/18/09 Kim Dae Jung dies at 85.

Hyundai Group's aspirations to revive inter-Korean projects are expected to meet with diverse obstacles as the agreements may violate the U.N. resolution passed in July sanctioning Pyongyang's nuclear ambitions. "We will have to closely examine whether the agreements in any way may be related to possible funding of North Korea's weapons programs," said one high-ranking Foreign Ministry official yesterday. He emphasized that it would be up to the "financial aspects" of the newly proposed deals between group chairman Hyun Jeong-eun and North Korean leader Kim Jong-il last week. (Kim Ji-hyun, "Hyundai Deal May Violate U.N. Sanctions," *Korea Herald*, August 19, 2009)

8/14/09 Weapons including rocket-propelled grenades were found on an Australian-owned ship seized today by the United Arab Emirates while travelling from North Korea to Iran, Australia's transport minister confirmed. Anthony Albanese said Australia was investigating the vessel ANL Australia, which was reportedly stopped earlier this month

carrying a shipment of North Korean arms. "I can confirm that that is the case," Albanese told Channel Nine television when asked whether weapons including grenade launchers were found on the ship. "We are investigating as to whether there have been any breaches of Australian law," he said. "If there have been, that will be referred to the appropriate police authorities." The arms had been falsely labeled "machine parts," *the Financial Times* reported. (AFP, "Arms Found on Ship Traveling from North Korea to Iran," August 30, 2009) North Korean cargo carrying arms exports to Iran left a western port five days after Pyongyang's nuclear test in May and was transferred aboard Chinese and Australian freighters before being seized by the UAE in July, according to Mario Carniglia, head of the international freight-forwarding firm Otim. He said the containers, reportedly loaded with rocket launchers, detonators, and munitions, were shipped via the Chinese cities of Dalian and Shanghai and were transferred to an Australian vessel just after the U.N. Security Council adopted Resolution 1874 which bans the North from engaging in arms trade. "(The containers) left the Nampo Port on May 30," he said in an interview in Rome on September 9. A North Korean ship carrying the 10 containers arrived in Dalian two days later and a Chinese cargo ship moved them to Shanghai on June 13, he said. "The containers were placed on (the Australian freighter) ANL-Australia in Shanghai," he said, flipping through related documents. The cargo was on its scheduled course until the UAE intercepted the ANL-Australia on July 22. The U.S. Navy had been focusing on trailing another North Korean vessel, the Kangnam 1, which appeared to be headed to Myanmar also carrying weapons exports. (Yonhap, "Chinese, Australian Ships Involved in Transport of Seized N. Korean Cargo," September 10, 2009) The freighter *ANL Australia* had already fired its engines for a 70-mile dash to Iran when customs agents here were alerted to a possible hidden cache of weapons on board. Inspectors from the United Arab Emirates quickly swarmed the ship and uncovered a truck-size container packed with small arms made in North Korea. Concealed deeper in the ship was the real find: hundreds of crates containing military hardware and a grayish, foul-smelling powder, explosive components for thousands of short-range rockets. The nature of the cargo, seized in July and described for the first time in interviews with officials and analysts in the UAE and Washington, has raised fears that Iran is ramping up efforts to arm itself and anti-Israeli militias in the Middle East. Israeli officials have warned that they may use force to prevent Iran from developing nuclear weapons. The route chosen by North Korea to deliver the rocket components eventually seized by the UAE was hard to track. According to shipping records, the 10 large cargo containers left the North Korean port of Nampo on May 30 on a North Korean vessel, and two days later they were transferred to a Chinese ship in the port city of Dalian, in northern China. From there, the containers were ferried to Shanghai, where on June 13 they were moved to a third ship, the ANL Australia, a Bahamian-flagged freighter owned by a French consortium. Spokesmen for the freighter's owner and operator say they received sealed cargo containers along with manifests that listed the contents as oil-well equipment. By mid-June, the cargo had left Shanghai on the ANL Australia, which followed a meandering course through East and Southeast Asia, pausing in mid-July in Dubai, one of the world's largest seaports. Then it left on the final leg of its journey, to Shahid Rajai, on the shores of Iran's Strait of Hormuz. (Joby Warrick, "Arms Smuggling Heightens Iran Fears," *Washington Post*, December 4, 2009, p. A-14)

8/19/09

In the latest in a string of conciliatory moves, the North Korean government sent a delegation to meet with New Mexico Gov. Bill Richardson (D), who said the isolated country is "now prepared to have a dialogue with us" after months of aggressive nuclear testing that alarmed the international community. A senior Obama administration official, speaking on the condition of anonymity because he was not authorized to comment, said that "the likelihood for some form of re-engagement is somewhat greater" because of North Korea's recent actions. But U.S. officials emphasized that North Korea still has to agree to return to stalled multiparty talks on its nuclear weapons program. "Our goals have not changed as it relates to North Korea, largely because the responsibilities of North Korea have not changed," said White House press secretary Robert Gibbs, referring to agreements that the North has signed pledging to end the program. Richardson's office said the North Korean delegation, made up of diplomats from the country's mission to the United Nations, had asked for the Santa Fe meeting. Richardson said the North Koreans told him that "everything would be on the table" in negotiations. But he said he did not get any assurances that they would scale back their nuclear program. "They wouldn't bring that up with me. This is up to the two governments," Richardson told CNN. The State Department learned weeks ago of the North Koreans' plans to visit New Mexico, because the diplomats are required to get permission to travel more than 25 miles from New York. (Mary Beth Sheridan, "After Meeting, N.M. Governor Says N. Koreans Are Ready for Dialogue," *Washington Post*, August 20, 2009)

KCNA: Upon authorization of Kim Jong Il, chairman of the DPRK National Defense Commission, a special envoy group led by Kim Ki Nam, secretary of the Central Committee of the Workers' Party of Korea, will visit Seoul from August 21 to 22 to mourn over the death of ex-President Kim Dae Jung. (KCNA, "DPRK Mourning Delegation to Visit Seoul," August 19, 2009)

The National Red Cross (NRC) proposed inter-Korean Red Cross talks at Mt. Kumgang in North Korea August 26-28, to discuss arrangements for displaced family reunions, an NRC official said. If the North accepts the proposal, meetings will take place in October as agreed between the North Korean Asia-Pacific Peace Committee and South Korea's Hyundai Group, August 17. (Kim Sue-young, "Red Cross Talks Proposed for Family Reunions," *Korea Times*, August 20, 2009)

The launch of the country's first rocket Korea Space Launch Vehicle-1, or Naro, was halted just eight minutes prior to blastoff due to a technical problem. The launch was scheduled for 5 p.m. Launch control at the Naro Space Center of the Korea Aerospace Research Institute said, "The launch was canceled due to a technical problem in the launch vehicle's automated sequence system," adding more investigation is needed to identify the exact cause of the delay. (Dong-A Ilbo, "Glitch Suspends Layunch of Space Rocket Naro," August 20, 2009)

8/21/09

North Korean officials quietly visited Los Angeles last week to talk about resuming food aid, which the impoverished state cut off five months ago during a standoff, participants said. Five North Korean officials received special US permission to visit Los Angeles where they met representatives of non-governmental organizations that provide relief

worldwide, according to the groups. Richard Walden, president of Operation USA, said the charity picked up the North Koreans at the airport as a goodwill gesture and took them on a tour of its warehouse stocked with medicine and medical equipment to be sent overseas. "They were very open, very nice and very cordial," Walden told AFP. "They looked like they were from any other aid ministry in any country." Walden said the North Koreans' three-day trip came about after former president Bill Clinton visited Pyongyang on August 4 to free two US journalists. "This was something useful made possible by Clinton's visit," Walden said, while declining details on how the trip came about. "I was delighted that the State Department gave visas almost immediately." The delegation, which also met with other relief groups, included four members of the Korea-US Private Exchange Society, the North Korean body charged with handling relief goods from US non-governmental organizations. A fifth delegation member came from North Korea's mission at the United Nations and received special permission to travel beyond the New York area, Walden said. The group was not linked to a separate delegation of two New York-based North Korean diplomats who were at the same time in New Mexico to speak with Governor Bill Richardson, a frequent US interlocutor with Pyongyang. (AFP, "North Koreans Quiet Food Aid Trip to US," August 28, 2009)

8/23/09

South Korean President Lee Myung-bak and North Korean leader Kim Jong-il exchanged verbal messages through Kim's special envoys, their first communication, spurring hopes for a resumption of cross-border dialogue. Kim's message was delivered through a North Korean delegation that visited Seoul to offer condolences to late former President Kim Dae-jung. The 30-minute meeting was Lee's first with North Koreans since coming to power 18 months ago. "The North Korean condolence delegation conveyed Chairman Kim's oral message regarding progress of inter-Korean cooperation," Cheong Wa Dae spokesman Lee Dong-kwan told a news briefing, referring to the North Korean leader by his official title, chairman of the National Defense Commission. "In response, President Lee explained our government's consistent and firm North Korea policy and asked the North Korean delegates to relay his message to Chairman Kim," the spokesman said. He quoted President Lee as saying, "There is no issue that the South and the North cannot resolve if they talk with sincerity." Yonhap, "Leaders of Two Koreas Exchange Messages for Improved Ties," August 23, 2009) President Lee Myung-bak sent a clear message to North Korea that he is different from previous administrations. Lee reportedly told a North Korean delegation who visited Cheong Wa Dae on Aug. 23 he was different than the governments that led South Korea "in the past 10 years and even the past 20 years before that. Make this point very clear" to North Korean leader Kim Jong-il. A senior source in the ruling Grand National Party on September 1 claimed Lee also told the delegation, "Take a look at how fast the world is changing. North Korea must change. If North Korea demonstrates a willingness to change, we will offer support." Lee made those comments after receiving a message from the North Korean leader stressing the need for talks. He was referring to the Kim Dae-jung and Roh Moo-hyun administrations, which pursued unconditional engagement with North Korea, while the "past 20 years before that" appears to be a reference to authoritarian governments that took a hard line against the North. The source claimed Lee told the North Koreans that the South was ready to hold talks at any level, including a summit, but stressed the North must understand that denuclearization is a prerequisite to major support from the South and

the normalization of ties. At the time, presidential spokesman Lee Dong-kwan said, "The government's position is that previous forms of summits and dialogue are no longer acceptable" and added that a "paradigm shift" was necessary. The government says exceptionalism in inter-Korean relations is not acceptable and meetings between the two sides must be subject to international rules, a standard that was first applied when Lee made the delegation wait their turn to meet him during the obsequies for Kim Dae-jung. (*Chosun Ilbo*, "Lee Told North Koreans of 'New Wind Blowing in Cheong Wa Dae,'" September 2, 2009)

Tens of thousands of mourners filled the lawn outside the National Assembly for the state funeral Sunday of ex-President Kim Dae-jung, a longtime defender of democracy and advocate of reconciliation who won the Nobel Peace Prize for his efforts to reach out to communist North Korea. (Jean H. Lee, "South Korea Holds State Funeral for Kim Dae-jung," Associated Press, August 23, 2009)

Philip Goldberg, coordinator for the implementation of U.N. Security Council Resolution 1874 adopted after the North's nuclear test in May, said inter-Korean tourism projects, if restarted, will not impede the international community's efforts to impose sanctions on Pyongyang. The North agreed last week with South Korean conglomerate Hyundai Group to resume suspended tour programs to Mount Kumgang on its east coast and the ancient border city of Kaesong, a deal that has rekindled concerns over a possible steady inflow of cash to the communist regime. The South Korean government is still reviewing the civilian-led compromise. "My assessment is that at the moment these are issues outside of that resolution. And there are economic and humanitarian developments that are taken into account in the resolution as well," Goldberg told reporters after meeting with South Korea's top nuclear negotiator Wi Sung-lac. "Our goal is to return to the process of denuclearization, to talks aimed at the goals that are laid out in the U.N. resolution," Goldberg said. "If a reduction in tension can lead to that, that would be a good thing." He said that there would be no let-up in enforcing sanctions on the North, however. "Right now, we are concentrating on the implementation and full implementation of the resolution," he said. (Lee Chi-dong and Tony Chang, "U.S. Says U.N. Sanctions Not to Affect Inter-Korean Tour Projects," Yonhap, August 24, 2009)

WikiLeaks cable: C O N F I D E N T I A L SEOUL 001364

SUBJECT: AMBASSADOR BOSWORTH'S AUGUST 23 MEETING WITH ROK

NATIONAL SECURITY ADVISOR KIM SUNG-HWAN

¶1. (C) In a brief August 23 meeting, ROK National Security Advisor Kim Sung-hwan reported to Special Representative for North Korea Policy Bosworth that President Lee had told a DPRK delegation that, until the nuclear issue was resolved, there would be limits on ROK economic cooperation with the DPRK. Kim observed that it appeared the DPRK was employing its usual tactic of pursuing improved relations with South Korea in response to international pressure, but observed the North Korean delegation to the funeral of Kim Dae-jung had not received a warm welcome from the South Korean public. Bosworth emphasized the importance of balancing the parallel tracks of diplomacy and sanctions, and told Kim that the United States wanted to pursue a "measured approach" to North Korea. End Summary. ¶2. (C) Special Representative for

North Korea Policy Ambassador Stephen Bosworth met for 30 minutes on Sunday, August 23, with ROK National Security Advisor Kim Sung-hwan. Noting that President Lee Myung-bak and Minister of Unification Hyun In-taek had held separate meetings with the DPRK delegation to the funeral of former President Kim Dae-jung, **NSA Kim said the DPRK was feeling pressure from the sanctions of UN Security Council Resolution 1874. As usual when confronted with international pressure, the DPRK was attempting to reach out to the ROK.** The DPRK did not want to discuss anything except economic issues, however, refusing to talk about nuclear or military issues. ¶3. (C) **Kim said the DPRK delegation had repeatedly asked to meet with the President, but the ROK had waited until 10:00 p.m. Saturday night before informing them President Lee Myung-bak would see them the next morning. President Lee had asked the North Korean delegation to convey to Kim Jong-il that that there would be limits on economic cooperation with the DPRK until the nuclear issue was resolved. Lee had also emphasized to the North Koreans that there was a new team in place in Washington, and Pyongyang would have to take a different approach.** Kim Ki Nam, the leader of the North Korean delegation, had responded that the United States's 60-year policy of hostility to the DPRK required Pyongyang to have a nuclear deterrent. ¶4. (C) The DPRK wanted to move North-South discussions away from the nuclear issue, NSA Kim reasoned, pointing out that Presidents Kim Dae-jung and Roh Moo-hyun had not regarded the nuclear weapons program as a North-South issue. Lee, however, had clearly told the North Koreans that denuclearization was a Seoul priority. The ROK was prepared to open a dialogue with the DPRK on Mount Geumgang but would ask for a statement from Pyongyang that it would systematically protect tourists. ¶5. (C) In the past, Kim continued, North Korean delegations had received warm welcomes when visiting Seoul. This time there had been no real welcome -- people had not turned out to applaud them -- and the delegation had even seen a few anti-DPRK demonstrators. The DPRK's actions since December of last year had changed opinions, Kim said, citing opinion polls that reported fewer than 30% of the Korean public supported assistance to North Korea or the reopening of Mt. Geumgang tours without security assurances. ¶6. (C) Ambassador Bosworth observed that the present policy appeared to be effective and to be creating a new situation. **Experience showed that Washington and Seoul were much more effective when we worked together. Our two governments would need to hold intensive discussions concerning our strategy for reengagement. The DPRK was unlikely to roll over and say it would return to the Six Party Talks; instead, we would have to lead them back to negotiations, although it would not necessarily have to be called the Six Party Talks.** ¶7. (C) **Ambassador Bosworth continued that a measured approach was required.** We did not want to drag our feet, neither did we want to legitimize Pyongyang's assertion of nuclear status or its position that it did not have to return to the Six Party Talks. **A key challenge would be maintaining balance between the two tracks of sanctions and the negotiating process.** The September 2005 statement provided a very useful statement of principles for the future. TOKOLA

8/25/09

Stephen Bosworth, the top U.S. official in charge of North Korea policy will travel to Pyongyang next month for the first bilateral nuclear negotiations between the two countries, a senior diplomatic source in Washington has told the *JoongAng Ilbo*. "Since his appointment in February, Bosworth has openly and repeatedly said he would like to



visit North Korea, but **Pyongyang snubbed the offer by conducting missile and nuclear tests,**" the source said. "The North, however, recently expressed its intention to invite Bosworth." (Kim Jung-wook and Ser Myo-ja, "U.S. Envoy Plans Nuclear Talks with North in Sept.," *JoongAng Ilbo*, August 25, 2009)

South Korea failed to send its scientific satellite into orbit after launching its first rocket into space. The Korea Space Launch Vehicle-1 (KSLV-1) blasted off from the Naro Space Center at 5 p.m., with the first and second stage rockets separating as planned, the Ministry of Education, Science and Technology and the Korea Aerospace Research Institute (KARI) said. "All aspects of the launch were normal, but the satellite exceeded its planned orbit and reached an altitude of 360km," said Education and Science Minister Ahn Byong-man. The satellite should have separated at around 302km. (Lee Joon-seung, "S. Korea's First Space Rocket Launch Fails to Send Satellite into Orbit," August 25, 2009)

In a sign that money is high among North Korean priorities, the government confirmed that 20million won (\$16,000) was paid by Hyundai to secure the release of a Kaesong worker who had been detained since March. Billed as compensation for his living costs, the sum represents comfortably more than 16 times the average annual income in North Korea. (Christian Oliver, "N. Korea Invites U.S. Envoy to Nuclear Talks," *Financial Times*, August 25, 2009)

8/26/09

The government approved only two of nine requests submitted this week to visit North Korea for humanitarian and other projects, citing safety concerns stemming from the detention of several South Koreans by Pyongyang. The Unification Ministry authorized representatives from Gyeongam, a foundation run by bed manufacturer AceBed Co., and Korean Sharing Movement, a civic group, to visit North Korea, officials said. Seven other applications were rejected, they said. (Tony Chang, "Seoul Okays N.K. Visits Selectively, Citing Safety Concerns," *Yonhap*, August 26, 2009)

Kim Jong-il instructed at the meeting with party and military leaders in Wonsan on August 26, that North Korea will carry out a third nuclear test if sanctions from the U.S. and the world are strengthened, according to a high-level source in North Korea. The source said the instructions were reflected in a letter sent to the chairman of the U.N. Security Council. The instructions include four important points. First, it is important to perfect the nuclear technology in order to induce the U.S. to bilateral talks. Based on the examples of China, India, and Pakistan, the U.S. generally pressures nuclear states in the beginning stage of nuclear development, but after the countries accomplish a certain level of development with their nuclear weapons, the U.S. moves towards negotiation and respect. Although it is important for Obama administration to control the nuclear weapons of North Korea, it is more important for the administration to secure domestic economic stability and control China. Because it only gets difficult for the U.S. to wage war on the Korean peninsula as North Korea perfects its nuclear weapons, the U.S. will resort to negotiations. North Korea should resolve the issue of U.S. sanction by leveraging its nuclear weapons, and the armistice must be turned into a peace agreement through bilateral talks with the U.S. Further, North Korea should hold a hard-line policy in order to have the U.S. troops leave the Korean peninsula. Secondly,

bilateral talks with the U.S. should come before six party talks. North Korea should only discuss the issue of non-proliferation and reduction of nuclear weapons, after North Korea's possession of nuclear weapons is considered a fact. Thirdly, North Korea should focus on negotiations for new ways of being considered a nuclear state, through non-official channels or North Korean representatives at the U.N. Fourthly, North Korea should be ready to carry out a third nuclear test when the U.S. does not respond to North Korea's effort for conversation, but strengthens its sanctions. North Korea must finish its 150 days of battles with an intention that if stronger sanctions are applied, North Korea may carry out a "stronger" third nuclear test. If North Korea takes a hard-line, the U.S. will need some time to come up with a response. North Korea will then have some time to perfect its nuclear technology. North Korea can then not only defend against the sanctions of the U.S. and the U.N, but also attack. (Lee Junwoon, "Kim Jong-il Ready to Carry out a Third Nuclear Test with Uranium," September 14, 2009)

WikiLeaks cable: "C O N F I D E N T I A L SEOUL 001373

SUBJECT: DESPITE NORTH-SOUTH THAW, BLUE HOUSE TO MAINTAIN

FIRM LINE ¶1. (C) SUMMARY: Two trusted Ministry of Unification (MOU) interlocutors told us August 26 that the prevailing sentiment within the ministry is that the visit of the DPRK funeral delegation represented a "breakthrough" in inter-Korean relations. MOU expects positive results from the inter-Korean Red Cross dialogue August 26-28 and hopes the detained ROK fishing boat and crew will be released by North Korea in the very near future. COMMENT: Our MOU contacts appear convinced that there has been a major shift in North Korea's approach to the south, personally blessed by Kim Jong-il and believe the ROK should revert to a policy of broad engagement with Pyongyang. The Blue House, however, appears to view recent events as vindicating its policy, and is in no hurry to move forward quickly on improving North-South ties. END SUMMARY AND COMMENT. ¶2. (C) MOU Director of Intelligence and Analysis Lee Chan-ho and Director of the MOU's Economic and Social Analysis Division Park Chul told us August 26 that the North Korean delegation's August 21-23 visit to Seoul signaled a "breakthrough" in inter-Korean relations. This shift in North Korea's attitude, they asserted, demonstrated KJI's confidence and his probable improvement in health. According to Lee, Chosun Sinbo, a pro-North Korea newspaper in Japan, provided heavy coverage of the delegation's visit to Seoul and North Korea's internal propaganda has described the North's new South Korea policy as personally blessed by KJI and "irreversible." These developments, they argued, collectively suggested there is much potential for positive developments in inter-Korea relations. Both Lee and Park said the MOU was expecting "good news" from the August 26-28 inter-Korean Red Cross Talks as well as the release of the detained ROK fishing boat and crew in the near future. ¶3. (C) Despite the positive signs from Pyongyang, MOU Social and Cultural Exchanges Division Deputy Director Kim Seong-hyoun told us privately that Blue House's firm approach will likely continue in the near term. Kim, whose office is in charge of NGO visits and tourism to North Korea, said the Blue House is "sticking with its principles" on dealing with North Korea. He noted that Blue House advisers on DPRK issues feel vindicated that their approach seems to have paid off. Mt. Kumkang and Kaesong city tours are unlikely to resume this year, Kim lamented. ¶4. (C) While the ROK government and public welcomed the DPRK's decision to hold inter-Korea Red Cross talks August 26-29 at Mt. Kumkang to discuss a

possible reunion for separated families, MOU foresees enormous logistical challenges ahead. Deputy Director Kim noted that the resort, where inter-Korean Red Cross talks will be held and where the separated families' reunion would take place, has been unoccupied and unstaffed for over a year. ¶15. (C) When the last reunions were held two years ago, Hyundai-Asan tourism staff assisted. However, most of the ethnic Korean-Chinese workers were laid off soon after the July 2008 shooting incident and the resort was shut down. Left unused for almost a year, even the handful of officials currently at the resort had to bring box lunches from a nearby South Korean town. The North Koreans are also nervous, not wanting to have the ROKG officials who participate in the Red Cross talks return to Seoul sickened by bad water or food. According to Kim, Hyundai Asan, anxious to resume its tours to North Korea, is confident it can find, hire and train the needed staff within a month. MOU, however, remains skeptical. TOKOLA"

WikiLeaks cable: "C O N F I D E N T I A L SEOUL 001386

SUBJECT: HYUNDAI CHAIRWOMAN ON DPRK TRIP, KIM JONG-IL

¶1. (C) SUMMARY: During an August 25 breakfast with the Ambassador, Hyundai Chairwoman Hyun Jeong-eun said DPRK leader Kim Jong-il (KJI) claimed a lack of trust between the two Koreas was the main reason for "difficulties" in inter-Korean relations. KJI groused that the Ministry of Unification (MOU), the DPRK's former "handler," had "lost the driver's seat" to MOFAT, an entity which KJI asserted "did not understand North Korea." KJI also complained about a lack of investment in the KIC by large ROK companies. Hyun said KJI characterized the current state of DPRK-Japan relations as "far worse than ever before" and made a comment about "not trusting" China. In a separate meeting, Kim Yang-gun (KYG), KJI's most trusted aide and point man for South Korea policy, said the reason North Korea developed nuclear weapons was to prove to the United States that, while small, North Korea is a powerful country. KYG also played up ethnic nationalism, frequently referring to "minjok" (the Korean people), stating that if the "resource rich" North and "good businessmen" in the South could cooperate, "everyone would be better off." COMMENT: Hyun's account of the emphasis KJI and his aide placed on Korean ethnic solidarity and improving inter-Korean relations is consistent with what we heard from President Lee Myung-bak's description of his meeting on August 23 with the DPRK delegation members, who according to LMB urged that "uri minjok" work together. END SUMMARY AND COMMENT. ¶2. (C) During an August 25 breakfast with the Ambassador, Hyundai Chairwoman Hyun Jeong-eun indicated the purpose of the trip was to seek a speedy revival of her North Korean tourism business, which was nearly bankrupt. She complained that she faced more obstacles in South Korea than in the North. Hyun lamented that without government-to-government discussions, it would be impossible to implement her five-point agreement with Pyongyang. ¶3. (C) Discussing her meeting and dinner with KJI, **Hyun said the North Korean leader highlighted a lack of trust between the two Koreas as the main reason for "difficulties" in inter-Korean relations. KJI wanted the current ROK administration to recognize the spirit of the June 15, 2000, and October 4, 2007 inter-Korean agreements signed by KJI himself. He commented that, while both ROK signatories to those agreements had passed away, "I'm still alive," stressing that the agreements should be respected.** During the dinner, KJI also emphasized "eui ri," a combination of righteousness and loyalty, and spoke often of Hyun's late father-in-law, Hyundai founder Chung Joo-young, and Hyun's late husband Chung

Mong-hun. (Note: See reftel for observations by Hyun about KJI's health. End note). ¶4. (C) Hyun predicted positive results from this week's inter-Korean Red Cross talks and said a separated families' reunion would likely happen soon. According to Hyun, KJI "liked and approved" the idea of family reunions at Mt. Kumgang on Korean Thanksgiving (Chusok) in early October; Hyun did not foresee the DPRK putting up obstacles to the reunions. ¶5. (C) **KJI asked Hyun why officials from previous administrations, with knowledge and experience in dealing with North Korea, were not better-utilized by the LMB administration. KJI groused that the Ministry of Unification (MOU), the DPRK's former "handler," had "lost the driver's seat" to MOFAT, an entity which KJI asserted "did not understand North Korea."** ¶6. (C) KJI wondered why the Lee administration failed to recognize the potential of the KIC. Hyun assured KJI that the Lee administration recognized the value of the KIC, even though in the beginning of his term, President Lee attempted venture on Na Deul island. Hyun explained to KJI that because it was difficult to bring North Korean workers to the island, the Na Deul idea was scrapped; LMB was now fully behind the KIC, she claimed. ¶7. (C) KJI asked Hyun why large South Korean companies were not present at KIC and showed little interest in helping expand the complex. Hyun replied that many ROK companies do business with the United States and, given the current political atmosphere between the United State and the DPRK, there would be many "complications" for companies seeking to do business in both countries. ¶8. (C) Turning to relations with the United States, KJI told Hyun that he had altered some portions of the Arirang program to "fit American tastes," explaining he had cut out the missile launch portion of the program because he had heard Americans did not like it. He had also been advised that South Koreans did not like to see so many soldiers in the performance, so now more students were included. ¶9. (C) On China and Japan, Hyun said KJI commented that the current state of DPRK-Japan relations was "far worse than ever before." Hyun related that two years ago when she met with KJI, he was focused on how to get war reparations from Tokyo and eventually improve relations; now, there seemed little possibility of any conciliatory gestures. Hyun was told separately by a senior official that KJI had ordered Japanese cars banned from Pyongyang's streets. Hyun observed that KJI said little about China, save for a comment about "not trusting" the PRC. ¶10. (C) In a separate meeting, Kim Yang-gun (KYG), reportedly KJI's most trusted aide and the point man for South Korea, **told Hyun that the North's reason for developing nuclear weapons was not to use them against the South, but to prove to the United States that, while small, North Korea was a powerful country.** KYG also played up ethnic nationalism, frequently referring to "minjok" (the Korean people), stating that if the "resource rich" North and "good businessmen" in the South could cooperate, "everyone would be better off." KYG also indicated that the South Korean fishing boat and crew held since July 30 for entering North Korean waters would be released soon. She said the DPRK hoped the ROKG would offer food aid when the two Koreas met to discuss details of the release. KYG cautioned Hyun to present the idea of offering food aid to the ROKG as her own, not as a request from Pyongyang. Though Hyun was told flood damage was "not grave" this year, she suspected North Korea's food shortage may get severe in the coming months. Hyun noted that during her transit from Pyongyang to Mt. Myohyang, "every inch" of land was cultivated for food crops. TOKOLA

8/27/09

The U.S. point man on North Korea, Ambassador Stephen Bosworth, will travel to Asian capitals in the next few days, the State Department said. Pyongyang is not on his itinerary. "I would expect that the ambassador will travel to the region for consultations in the coming days," said Philip Crowley, assistant secretary of state for public affairs. "This trip, when it happens, and when that decision is made, will be to consult with the key countries in the region who have been part of the six-party process." "He will not go to North Korea," the spokesman said. "I do not envision that it will include discussions with anyone from North Korea." (Yonhap, "Bosworth to Tour Asia, But Pyongyang Is Not on Itinerary," August 29, 2009)

North Korean leader Kim Jong-il is determined to break the impasse in cross-border ties, and envisioned reunions of separated families will be a "watershed" in improving relations with the South, a pro-Pyongyang newspaper in Japan said. *Choson Sinbo* said the reunions "will be a new watershed in improving inter-Korean relations and the first step toward implementing historic inter-Korean declarations since the Lee Myung-bak government's inauguration," the report quoted a North Korean delegate to the talks as saying. The delegate was referring to the inter-Korean reconciliatory summit accords reached between Lee's liberal predecessors and the North Korean leader in 2000 and 2007. (Kim Hyun, "Family Reunions to Be 'Watershed' in Inter-Korean Relations: Pro-N.K. Report," August 27, 2009)

Hatoyama Yukio op-ed: "Another national goal that emerges from the concept of fraternity is the creation of an East Asian community. Of course, the Japan-U.S. security pact will continue to be the cornerstone of Japanese diplomatic policy. But at the same time, we must not forget our identity as a nation located in Asia. I believe that the East Asian region, which is showing increasing vitality, must be recognized as Japan's basic sphere of being. So we must continue to build frameworks for stable economic cooperation and security across the region. The financial crisis has suggested to many that the era of U.S. unilateralism may come to an end. It has also raised doubts about the permanence of the dollar as the key global currency. I also feel that as a result of the failure of the Iraq war and the financial crisis, the era of U.S.-led globalism is coming to an end and that we are moving toward an era of multipolarity. But at present no one country is ready to replace the United States as the dominant country. Nor is there a currency ready to replace the dollar as the world's key currency. Although the influence of the U.S. is declining, it will remain the world's leading military and economic power for the next two to three decades. Current developments show clearly that China will become one of the world's leading economic nations while also continuing to expand its military power. The size of China's economy will surpass that of Japan in the not-too-distant future. How should Japan maintain its political and economic independence and protect its national interest when caught between the United States, which is fighting to retain its position as the world's dominant power, and China, which is seeking ways to become dominant? This is a question of concern not only to Japan but also to the small and medium-sized nations in Asia. They want the military power of the U.S. to function effectively for the stability of the region but want to restrain U.S. political and economic excesses. They also want to reduce the military threat posed by our neighbor China while ensuring that China's expanding economy develops in an orderly fashion. These are major factors accelerating regional integration. ... I believe that regional integration

and collective security is the path we should follow toward realizing the principles of pacifism and multilateral cooperation advocated by the Japanese Constitution. It is also the appropriate path for protecting Japan's political and economic independence and pursuing our interests in our position between the United States and China." Hatoyama Yukio, "A New Path for Japan," *New York Times*, August 27, 2009)

8/28/09

On their third and final day of talks at the Mount Kumgang resort, North and South Korea released a joint statement setting a new round of family reunions for Sept. 26 to Oct. 1, shortly before the traditional Korean holiday of Chuseok. The venue will be the scenic mountain on the east coast. "The South and the North will continue to cooperate on the issue of separated families and other humanitarian issues involving the Red Cross," the statement said. The family reunions are arranged by the Red Cross offices of the two Koreas. The agreement was the latest sign that North Korea is shifting towards reconciliation with the South. Family reunions have not been held since the last round in October 2007 amid deteriorating political relations. (Kim Hyun, "Koreas Agree on First Reunions in Two Years in Sign of Thawing Ties," *Yonhap*, August 28, 2009)

A recent poll by the *JoongAng Ilbo* showed that three out of five South Koreans think an inter-Korean summit should take place under no preset conditions. According to the survey of 1,000 adults across the country, 61.9 percent said the two Koreas should meet "to resolve long-pending relationships without any condition." Only 36.5 percent said the South and the North should have talks after the North's nuclear issue has made visible progress. Also, 60.8 percent of those polled think the resumption of the tourist program to Mount Kumgang shouldn't necessarily be expedited. They said the program should restart after North Korea apologizes for killing a South Korean tourist at the Mount Kumgang resort and guarantees no such incident will take place again. (Shin Chang-woon and Seo Ji-eun, "No Conditions Needed for North Talks, Says Poll," *JoongAng Ilbo*, August 28, 2009)

8/29/09

A South Korean fishing boat with four crew members aboard headed home after being released from 30 days of detention in North Korea, South Korean maritime police said. (*Yonhap*, "4 S. Korean Fishermen Detained N. Korea Released," August 29, 2009)

8/30/09

The Democratic Party of Japan won the Lower House election by a landslide. The DPJ-led opposition camp secured 340 seats in the 480-seat Diet, against just 140 for the LDP-New Komeito ruling bloc. In the opposition camp, the DPJ alone had 308. Voter turnout was estimated to have reached 69.29 percent, exceeding the 67.51 percent in the previous general election in 2005. The DPJ, which had just 115 seats before the election, secured 308. The LDP, in contrast, captured as few as 119, a shocking decline from its 300 seats before the race. New Komeito won 21 seats, far short of the 31 seats it had before the election. The victory by the main opposition party will end more than half a century of almost uninterrupted rule by the Liberal Democratic Party. It will also usher in DPJ President Yukio Hatoyama, 62, as the new prime minister by mid-September. The LDP also lost some big names in single-seat races, including former Foreign Ministers Machimura Nobutaka and Nakayama Taro, as well as Finance Minister Yosano Kaoru and former Finance chief Nakagawa Shoichi. However, Machimura and

Yosano regained their seats in proportional representation. (*Japan Times*, "In Landslide, LPJ Wins over 300 Seats," August 31, 2009)

The Democratic Party has also pushed for greater independence for Japan from the United States, which has about 50,000 military personnel stationed here and is treaty-bound to defend the country from attack. "Until now, Japan has acted to suit U.S. convenience," Hatoyama said in a TV appearance last week. "But rather than doing so, Japan-U.S. relations should be on an equal footing so that our side can strongly assert Japan's will." Japan helps pay for the cost of stationing U.S. forces on its territory, a policy the Democratic Party has questioned. It says it wants to rethink the entire agreement that keeps U.S. soldiers here. Hatoyama has spoken of adjusting the focus of Japan's foreign policy to create stronger trade and diplomatic ties with China, South Korea and other countries. But in recent weeks he and other party leaders have said they will not seek major changes in foreign policy. Hatoyama said the U.S.-Japan alliance would "continue to be the cornerstone of Japanese diplomatic policy." (Blaine Harden, "Ruling Party Is Routed in Japan," *Washington Post*, August 31, 2009, p. A-1)

Relations between Korea and Japan will likely undergo a change following a victory of Japan's progressive opposition Democratic Party in national elections. "The DP has put emphasis on Asia and relations with China and Korea," Prof. Yun Duk-min at the Institute of Foreign Affairs and National Security in Seoul told *The Korea Times*. "Besides, it has taken a progressive stance toward past history. I think this is very encouraging and will improve bilateral ties." DP leader Yukio Hatoyama has pledged not to visit the Yasukuni Shrine in Tokyo, where Class-A war criminals are enshrined along with the war dead. Besides, Hatoyama promised to abide by a statement issued by former Prime Minister Murayama Tomiichi in which he apologized for Japan's colonial rule and wartime aggression. "Of course, I will respect the Murayama statement if I take over the government," he told reporters in early August in Tokyo. Japan is also expected to soften its stance on North Korea and try to improve the relations with the secretive state. (Kim Sue-young, "Japan's Korea Policy Likely to Change," *Korea Times*, August 30, 2009) "Japan is going to promote talks with North Korea, especially during the initial stages of the new administration," said Park Cheol-hee, politics professor at Seoul National University. "But we will have to wait and see if this signals a genuine shift to dialogue." He predicted that, at least initially, domestic politics are going to force the incoming administration to focus on improving its international image, including its relations with the reclusive North. But the trend may not necessarily be a lasting one, he said, saying that eventually the DP will not be able to distance itself too much from the outgoing Liberal Democratic Party. "There are sticking issues of contention between the two, mainly the abductee issue, and while we are perhaps going to be seeing some flexibility, that should be it," Park said. Optimists yesterday painted a brighter picture of future ties between Japan and North Korea, citing the incoming government's resolve to get "reacquainted" with its Asian neighbors. "Hayotama has been more outspoken about stepping up coordination with the United States and South Korea," said Nam Chang-hee, a professor of political science at Inha University. He said momentum for reconciliation that was formed under former Prime Minister Koizumi may be regained under Democratic Party leader Yukio Hayotama. Nam also noted that Hayotama was a member of the Japanese delegation that visited Pyongyang under Koizumi. (Kim Ji-hyun, "Democrats to Steer Japan toward Talks with N.K.," *Korea Herald*, September 1, 2009) The DPJ's platform calls for the creation of an East

Asian community with the creation of a regional cooperative system in the Asia-Pacific predicated on establishing equal diplomacy with the U.S. As an East Asian community fundamentally involves a push for South Korea, China, North Korea and Japan to promote the denuclearization of East Asia, trust with surrounding nations is of utmost importance. In the long term, the DPJ also dreams of issuing a regional currency similar to the Euro. The DPJ platform goes beyond opposing visits to the Yasukuni Shrine by the prime minister and other ministers, and calls for the creation of a new public memorial facility. This expresses the will to eliminate the source of friction between Japan and its neighbors during the administration of Prime Minister Koizumi Junichiro. Moreover, in the policy booklet that forms the basis of its manifesto, the party has revealed its position to establish a research bureau in the National Diet Library to study peace issues in order to put to rest post-war issues, including the issue of comfort women. This is something that was inconceivable during the former LDP administration. When acting DPJ President Ozawa Ichiro was head of the LDP, he visited South Korea in 1999 and became the first minister-level Japanese figure to pray at the graves of independence activists such as Kim Ku, much to people's great surprise. Ozawa's image had been that of a rightist and a hawk who advocated that Japan become a "normal country," but he is surprisingly becoming known as a "liberal" on issues of history. It appears, however, one cannot hope for an immediate transformation in Japan's North Korea policy under a DPJ administration. During a campaign debate when Prime Minister Aso Taro attacked DPJ leader Hatoyama Yukio by claiming Hatoyama would avoid enacting laws to inspect North Korean cargo ships, Hatoyama responded by saying he would pass the laws if his party came to power, revealing an active posture on North Korean sanctions. Professor Jo Jun, who has served as a policy advisor to the DPJ, says that when hardline opinion on the kidnapping issue is overwhelmingly against North Korea, it is highly likely than until the new administration settles in, the DPJ will be steering North Korea policy in a safe rather than bold direction. (*Hankyore*, "Japan's Democratic Party Platform Prioritizes Korean Peninsula," September 1, 2009)

For the past few weeks, North Korea has made a number of conciliatory gestures aimed at re-engaging the outside world. Among others, the communist state freed five South Korean detainees, in addition to the release of two American journalists, and stressed the need for governmental talks between the two Koreas. About two weeks ago, a South Korean employee working at the Gaeseong complex returned home — after 130 days in detention — following Hyundai Group Chairwoman Hyun Jung-eun's visit to North Korea and a rare meeting with North Korean leader Kim Jong-il. North Korea asked for nothing in return for the release, according to Unification Ministry officials. For the state funeral of the late former President Kim, North Korea dispatched a delegation to Seoul to pay its respects to the architect of the "Sunshine Policy" of engaging North Korea who held the first inter-Korean summit in 2000. North Korea also agreed to resume reunions of displaced families from September 26 to October 1 at its scenic Mt. Geumgang resort during inter-Korean Red Cross talks last week. Seoul, however, appears unready to present conciliatory measures any time soon. "It is true that the inter-Korean relations are thawing but the government cannot improve the ties if there is no advancement in denuclearization," a government official said, asking to remain anonymous. Unification Ministry spokesman Chun Hae-sung also said late last week that the government would not resume the suspended tour program to Mt. Geumgang



unless North Korea guarantees the safety of South Korean tourists. (Kim Sue-young, "North Korea Seeking to Engage South," *Korea Times*, August 30, 2009)

8/31/09 North Korea reiterated his government's call for a peace treaty with the United States. North Korea had previously called for talks with Washington to replace the truce – which fell short of a formal treaty – that ended the Korean War in 1953. "We can ease tensions and remove the danger of war on the peninsula when the United States abandons its hostile policy and signs a peace treaty with us," Mr. Kim said in a commentary carried on Pyongyang Radio, which broadcasts North Korean government statements abroad. The dispatch, which was released late Monday, did not say when Mr. Kim made the statement. (Choe Sang-hun, "North Korea Opens border; Again Calls for Treaty," *New York Times*, September 2, 2009, p. A-8)

9/1/09 South and North Korea normalized cross-border traffic and exchanged information for reunions of families separated by war half a century ago, enlivening joint projects that had receded with deteriorating political relations. Hundreds of South Korean workers and cargo trucks traveled to North Korea on a freer timeframe, and more were allowed to stay there after Pyongyang lifted traffic restrictions imposed in December to protest Seoul's hard-line policy toward it. (Kim Hyun, "Koreas Normalize Border Traffic As Ties Improve," September 1, 2009) Operations have returned to normal after nine months of curbs, with 12 daily crossings permitted northbound to the Seoul-funded Kaesong industrial estate as of Tuesday plus 11 return trips a day, Seoul's unification ministry said. (AFP, "North Korea Lifts Curbs on Border with South," September 1, 2009)

9/2/09 FM Kim Yong-Il was scheduled to meet Chinese foreign ministry officials as part of the 60th anniversary of diplomatic ties between the two countries, ministry spokeswoman Jiang Yu told reporters. Jiang would not comment on the specifics of Kim's visit, but stressed the necessity of solving the North Korean nuclear issue through "dialogue and consultation." "Recently the situation in Northeast Asia has been less tense and we hope that relevant parties can seize this opportunity... and play a constructive role for realizing the denuclearization on the peninsula," she said. (AFP, "Senior North Korean Official Visiting China," September 2, 2009)

South and North Korea reopened their military hotline in a western district that was disconnected by Pyongyang more than a year ago due to technical problems, Seoul officials said. The direct communication channel, operated by the military authorities of the two sides, "began normal operations today after a test yesterday," Unification Ministry spokesman Chun Hae-sung said. Through the eastern channel, Seoul had notified Pyongyang of tourists visiting the North's scenic Mount Kumgang resort on the east coast, a joint project that was suspended after a shooting incident last year. The western channel was used for communication regarding South Korean workers commuting to a joint industrial park in the North's western border town of Kaesong. The naval authorities in the Yellow Sea also communicated through the western channel to prevent recurrence of bloody clashes of 1999 and 2002, which claimed scores of lives on both sides. The spokesman said the restored hotline still uses old cables, and three of the six phone and fax lines there are not working due to technical problems. "On the matter of optical cable assistance, there should be a separate review or consultations

with the North," Chun said. Pyongyang severed the eastern channel in December and restored it last month as part of a series of fence-mending moves. (Kim Hyun, "Koreas Normalize Military Hotline," Yonhap, September 2, 2009)

South Korea played down a series of peace overtures from North Korea. UnifMin Hyun In-Taek noted the North's conciliatory moves in recent weeks after months of hard-line actions, including numerous missile launches and a nuclear test. "But I believe it was a tactical, not fundamental, change because nothing has changed in its attitude toward six-party talks and the nuclear issue," Hyun told a seminar with ruling party lawmakers. (AFP, "Seoul Plays down Pyongyang's Conciliatory Gestures," September 2, 2009)

North Korea is seeking a "strategic partnership" with the United States but the idea will never be accepted by Washington as such close ties would undermine its regional interests, a former U.S. official said. David Straub, who accompanied U.S. ex-President Bill Clinton on his trip to Pyongyang last month, said North Korea holds too little economic or political value for the U.S. to risk its relations with China or alliances with South Korea and Japan. "If the DPRK (North Korea) officials are sincere, they are profoundly mistaken in their understanding of American interests and attitudes toward the Korean Peninsula," Straub, director of the State Department's Korea desk from 2002 to 2004 and currently a Stanford University professor, said in a contribution to a scholarly publication, "Korea Focus." "U.S. administrations have never considered, and will never consider, establishing a strategic relationship with the DPRK. North Korea's closed economic and social system means the country has virtually nothing of value to offer the United States," he said. (Kim Hyun, "U.S. Has No Intention to Build Close Ties with N. Korea: Ex-Official," Yonhap, September 3, 2009)

9/3/09

In his first conversation with President Obama, PM Hatoyama said he was committed to "build constructive, future-oriented relations [with its neighbors] with the Japan-U.S. alliance as the cornerstone." (Funabashi Yoichi, "Tokyo's Trials," *Foreign Affairs*, November/December 2009, p. 114)

President Lee Myung-bak carried out a major Cabinet reshuffle on Thursday, nominating a new prime minister and five other ministers, and also naming a nominee to a newly created post. Chung Un-chan, a former head of Seoul National University, was nominated for prime minister, and the chairman of the Joint Chiefs of Staff, Gen. Kim Tae-young, was tapped for defense minister. (Byun Duk-kun, "Lee Nominates New PM, 6 Cabinet Members, in Reshuffle," Yonhap, September 3, 2009) Gen. Kim Tae-young, nominated Thursday as South Korea's new defense minister, is a hard-liner who came under the spotlight last year when he said he would order an attack on North Korea should it deploy tactical nuclear weapons. (Sam Kim, "S. Korea's Defense Nominee Reputed as Hard-Liner," Yonhap, September 3, 2009)

9/4/09

KCNA: "The permanent representative of the DPRK to the United Nations sent a letter to the president of the UN Security Council Thursday [yesterday]. Noting that he would like to bring the attention of the president to the DPRK's already stated principled stand and countermeasures in connection with a letter addressed to the DPRK by the so-called 'Sanctions Committee' of the United Nations Security Council (UNSC) requesting a clarification, he continued: The DPRK totally rejects the UNSC "Resolution 1874" which was unfairly orchestrated in June 13 in wanton violation of the DPRK's sovereignty and

dignity and that the DPRK will never be bound by this resolution. We do not feel, therefore, any need to respond to the request made by the UNSC 'committee.' Had the UNSC, from the very beginning, not made an issue of the DPRK's peaceful satellite launch in the same way as it kept silent over the satellite launch conducted by South Korea on August 25, 2009, it would not have compelled the DPRK to take strong counteraction such as its 2nd nuclear test. It is all fair and square to find that the DPRK took its steps of action to cope with the high-handed act and threat which are aimed at depriving the DPRK of its rights to peaceful economic construction. It would be a miscalculation if the UNSC, rather than apologizing for violating the legitimate right of a member state of the UN, thought that we would recognize the "sanctions resolution" which was framed up in the same way as the thief turning on the victim with a club over the DPRK's self-defensive steps. **We have never objected to the denuclearization of the Korean Peninsula and of the world itself.** What **we objected to is the structure of the six way talks which had been used to violate outrageously the DPRK's sovereignty and its right to peaceful development.** The **denuclearization of the Korean Peninsula is closely related with the U.S. nuclear policy toward the DPRK.** The DPRK has already made clear its countermeasures to cope with sanctions as well. **Reprocessing of spent fuel rods is at its final phase and extracted plutonium is being weaponized. Experimental uranium enrichment has successfully been conducted to enter into completion phase.** We are prepared for both dialogue and sanctions. **If some permanent members of the UNSC wish to put sanctions first before dialogue, we would respond with bolstering our nuclear deterrence first before we meet them in a dialogue.** If the UNSC only continues this standoff without making a proper judgment of which path is more favorable for the denuclearization of the Korean Peninsula and of the world, the DPRK will be left with no choice but to take yet stronger self-defensive countermeasures as it had already warned." (KCNA, "DPRK Permanent Representative Sends Letter to President of UNSC," September 4, 2009)

South Korea's top nuclear envoy, Wi Sung-lac, said North Korea's threats hamper efforts to resume the six-way talks on its nuclear program. "It is not helpful," Wi said. "I will talk with Special Representative Stephen Bosworth about how to cope with the situation." (Lee Chi-dong and Kim Hyun, "N. Korea Says It Has Reached Final Stage of Enrichment," September 4, 2009)

9/6/09

Bosworth: "We are also agreed that, because of the nature of this issue and its regional implications and its global implications, that this is a problem that requires a multilateral solution. And it is for that reason that we remain, along with our partners, committed to the Six-Party process. **Now as we've indicated in the past, we're prepared to engage bilaterally as well with the North Koreans, but only in the context of the Six-Party process and in order to facilitate the Six-Party exercise.** We're also very pleased with the level of agreement and coordination between ourselves and South Korea - and, indeed, the other partners - on the implementation of UN Security Council resolution 1874 which has proven to be a very important manifestation of our cohesion, our solidarity, and our unity of purpose. (Stephen Bosworth, U.S. special representative for North Korean Policy, Morning Walkthrough in Seoul," September 6, 2009) Bosworth reiterated readiness to hold talks with North Korea. "We are prepared to engage bilaterally with North Korea but only within the context of six-party talks," Bosworth told

reporters before heading to Japan after completing a three-day visit to Seoul, according to Yonhap News Agency. Asked about the North's claim regarding uranium enrichment, Bosworth told reporters in Seoul that it is "not the first we've heard of," according to Yonhap. Bosworth also met yesterday with South Korean Unification Minister Hyun In Taek and had a breakfast meeting today with Foreign Affairs and Trade Minister Yu Myung Hwan. (Kyodo, "U.S. Only Willing to Talk to N. Korea under 6-Party Framework," September 6, 2009)

9/7/09

Stephen Bosworth, U.S. special representative for North Korea policy, told a senior Japanese Foreign Ministry official today that talks between the United States and North Korea will not be held "in any form" unless Pyongyang shows commitment to the agreement reached at the six-party denuclearization talks, according to the Japanese official. Saiki Akitakai, Japan's chief negotiator at the six-party talks, quoted Bosworth as saying that "there is no immediate plan at all" for bilateral dialogue, and said he and Bosworth agreed that such dialogue should be held under the six-way talks framework. (Kyodo, "No Immediate Plans for U.S., N. Korea Talks: Nuke Envoy Saiki," September 7, 2009)

Seoul demanded that Pyongyang apologize for its unannounced discharge of water from a dam that swept away six South Korean campers along the Imjin River. During a cabinet meeting, President Lee Myung-bak ordered a thorough inspection of the incident and measures to prevent such disasters from happening again, according to chief advisor on foreign affairs and security Kim Sung-hwan. North Korea said yesterday that it discharged water to control a sudden rise in water levels and that it would notify the South in advance should it plan to open the floodgates in the future. The South immediately expressed doubt in the North's "unconvincing" explanation, which did not mention the casualties it caused. Seoul took it a step further now by demanding an apology and explanation from the North. "With regard to the loss of our citizens' lives, our government demands a sufficient explanation from the authorities responsible in the North and an apology," Unification Ministry spokesman Chun Hae-sung said in a statement announced at a press briefing. "We first had to find out what caused the release of water, and now that the North has acknowledged its discharge, we decided we need an apology." (Kim So-hyun, "Seoul Demands Apology from N. K.," *Korea Herald*, September 8, 2009) Defense Minister nominee Kim Tae-young yesterday said North Korea's Hwanggang Dam was holding an unexpectedly high volume of water at the time of release. In a parliamentary confirmation hearing, Kim said, "We used all methods to figure out what exactly the North was up to. However, we were not able to find clear evidence that North Korea's goal was to flood the area." In response to criticism that the military failed to report the rise in water level, he said the person on duty had made a mistake and he is being charged following a military investigation. "The Korea Water Resources Corporation is primarily responsible for activating the alert system in the case of water level increase in the Imjin River," Kim said. "However, I apologize to the public considering that the military could have used a back-up system to make the report." (Cho Ji-hyun, "N.K. Dam Carried High Volume of Water at Time of Release," *Korea Herald*, September 19, 2009)

9/8/09

Amb. Bosworth: "We have very solid agreement on three major items. First, that denuclearization remains the core objective and essential goal of our engagement with North Korea. Second, that we are very attached to the Six-Party process as a mechanism

for achieving denuclearization. And third, that we are all committed to the full implementation of the UN Security Council Resolution, and we will continue our efforts to coordinate that implementation. **As we have indicated in the past, the United States is willing to engage with North Korea on a bilateral basis, and we are currently considering how best to respond to a North Korean invitation for bilateral talks.** We do not consider in any way that bilateral engagement is a substitute for multilateral engagement, and this is not a substitute for us for the re-ignition of the Six-Party Talks. We have not reached a decision on how to respond to this invitation, and we will be considering that in Washington over the next few weeks. I would emphasize that the results of our consultations here in the region, particularly here as well in Tokyo, will inform our decision as to how to respond to the North Koreans. ... Above all, we would not want to engage with the North Koreans without the full support of our partners in the Six-Party process, because as I said, bilateral talks are not, in our estimation, a substitute over the longer term for multilateral talks and the Six-Party process." (Stephen W. Bosworth, Special Representative for North Korea Policy, "Remarks Following Meeting with Japan's Nuclear Envoy Saiki Akitaka," Imperial Hotel, Tokyo, September 8, 2009)

The United States State Department moved to freeze the assets of two North Korean entities believed to be involved in atomic and missile programs, in what analysts said was an attempt to raise pressure on the North to resume disarmament talks. The entities are the General Bureau of Atomic Energy, which oversees the nuclear program, and the Korea Tangun Trading Corporation, thought to support the North's missile programs. It was unclear whether either had any assets under American jurisdiction, but American officials said the government hoped that the move would discourage other countries from doing business with North Korea. (.Reuters, "U.S. Acts on North Korean Assets," *New York Times*, September 9, 2009)

9/9/09

Asked if the discharge was intentional or a mistake, Unification Minister Hyun In-Taek told parliament on September 9, "I think the North did it intentionally." Hyun was the first South Korean official publicly to assert that the release of the water was intentional. North Korea blamed a sudden surge in the dam's water level for the "emergency" release and promised to give prior warning of future discharges. "The North itself has said it had deliberately discharged dam water. This means the water discharge was not made accidentally or by mistake," Hyun told legislators after follow-up questions. "The South Korean government is still studying for what purpose the North discharged the water." A spokesman for his ministry said Hyun was not necessarily saying the North released the water as a deliberate act of aggression. (AFP, "N. Korea Intentionally Caused Flood: Seoul Minister," September 9, 2009)

Leaders of the Democratic Party of Japan and two minor parties agreed to form a coalition government, laying the groundwork for the launch of the new administration on Sept. 16. The agreement papered over major rifts among the DPJ, Social Democratic Party and Kokumin Shinto (People's New Party) on diplomatic and security policy, including the overseas dispatch of the Self-Defense Forces. The question now is how much influence the partnership will have on the DPJ's already incoherent foreign affairs strategy. While major points of contention were left out, including specific mention of

the relocation of the U.S. Marine Corps Air Station Futenma in Okinawa, the agreement covered broad-based issues ranging from Japan's security alliance with the U.S. to curbing unemployment. "In a way, we have now been able to stand on the starting line of the new administration," DPJ President Hatoyama Yukio said after reaching the deal with SDP leader Fukushima Mizuho and Kokumin Shinto chief Kamei Shizuka. (Hongo Jun and Alex Martin, "DPJ, Two Allies Agree to Form Coalition," *Japan Times*, September 10, 2009)

BAS: What lessons have you learned from your experiences with Iran and the same for North Korea and Iraq? Mohamed ElBaradei, IAEA Director-General: "One lesson is to keep the dialogue going - particularly in the case of North Korea. There, whenever a dialogue was taking place, things were on the right track. Whenever the dialogue stopped, things started to go bad. Now, two nuclear tests later, we have no choice but to talk to the North Koreans and understand where they're coming from." ("Interview: Mohamed ElBaradei," *Bulletin of the Atomic Scientists*, September/October 2009, p. 8)

9/10/09

South Korea, China, Japan, Russia and the United States are reaching consensus to support bilateral talks between North Korea and the U.S. if that can persuade the North back to six-way denuclearization talks. Until recently, the five countries were in favor of such bilateral talks only after North Korea proves that it wants to denuclearize. A government official said discussions about the matter were held during the recent Asia tour of Stephen Bosworth, U.S. special representative on North Korea policy. It has not been decided whether Bosworth will visit North Korea and if so when, but some kind of decision is expected within weeks. Bosworth himself after his visit to Japan said, "The United States is willing to engage with North Korea on a bilateral basis," adding that decisions will be made within a few weeks. The shift in position among the five countries reflects an assessment that it will be easier to bring North Korea back to the table by using some incentive as well as pressure by way of international sanctions. By making it clear that the goal of the bilateral talks would only be to facilitate the six-way talks, the five countries believe they can thwart North Korea's attempt to sabotage the six-party talks and salvage their position that bilateral meetings must fit into the six-party framework. But a South Korean government official said, "All this can only happen when there is a fundamental change in North Korea's attitude to denuclearization. Because it is North Korea who more desperately needs dialogue, the U.S. is in no hurry at all." (*Chosun Ilbo*, "5 Countries Gave Nod to N. Korea-U.S. Talks," September 10, 2009)

Kim Yong-nam, North Korea's nominal No. 2 leader has called for "fruitful relations" with Japan's next prime minister, Hatoyama Yukio, but ties will depend on how Tokyo tackles issues such as compensation for Japan's 1910-1945 colonial rule, Kyodo reported. "The prospect of (North) Korea-Japan relations will solely depend on the attitude of the Japanese government," Kim Yong-nam was quoted as saying. (Reuters, "North Korea Eyes Fruitful Ties with Next Japan P.M.: Kyodo," September 10, 2009)

North Korea dropped its demand for a huge wage increase for its workers at Kaesong, Lee Jong-joo, a Unification Ministry spokeswoman said in a news briefing. Yesterday, without explanation, North Korea scaled back its demand to 5 percent, North Korea also did not repeat its earlier demand that South Korea increase its payments on a 50-year

lease of the land at the Kaesong complex. The North wanted a new lease of \$500 million, up from the current \$16 million. (Choe Sang-hun, "North Korea Reduces Demands at Border Factory," *New York Times*, September 10, 2009)

9/11/09

The murky process of hereditary succession in North Korea appears to have been suspended, at least for now, and the rise to power of Kim Jong Il's third son, Kim Jong Un, may be on hold, according to South Korean analysts and three organizations with informants inside the secretive state. "When Kim Jong Il's health was deteriorating and the outside world was speculating on a power struggle, there was a need to launch a visible succession campaign to quell rumors," said Koh Yu-hwan, a North Korea specialist at Dongguk University in Seoul. "Now that he appears to be back in the saddle," Koh said, there is a need to suspend the succession process to prevent elites in Pyongyang from dividing into camps for or against Jong Un. In an interview yesterday with a Japanese news agency, North Korea's No. 2 leader, Kim Yong Nam, denied foreign media reports that Kim Jong Il has selected his third son to be his successor. "We haven't even had discussion on such an issue in our country," he told Kyodo News. He added that Kim Jong Il is now running the party, the government and the military "with an abundance of energy." The Daily NK, a Seoul-based Web newspaper that often quotes unnamed midlevel officials in the North, reported that "authorities have commanded the people to stop all propaganda" about Jong Un. The Web site quotes what it said was a July 28 decree from the Workers' Party central committee: "Stop sending out propaganda regarding Captain Kim [Jong Un] in lecture meetings or on Channel 3 [a television station in Pyongyang], and refrain from using the expression, 'Young General of Mt. Paektu.'" (Blaine Harden, "A Succession Saga Goes Silent," *Washington Post*, September 11, 2009)

Japan and North Korea need a new agreement to improve bilateral relations, and Pyongyang is ready to hold talks with the incoming administration of Hatoyama Yukio, who advocates closer ties with other Asian nations, said Song Il Ho, ambassador for normalization talks with Japan, in an interview with Kyodo News in Pyongyang. An agreement the two countries struck in August last year in Shenyang, China, has become "invalid" due to outgoing Prime Minister Aso Taro's "hostile" policy toward North Korea. "Under a Democratic Party of Japan-led administration, we need to get a fresh start (in bilateral talks for a new agreement) based on the spirit of the Pyongyang Declaration," Song said, referring to a 2002 declaration committing the two countries to work toward normalizing relations. On the abduction of Japanese nationals by North Korea, Song said the issue has been "effectively settled," but that the two countries should first discuss and study a "benchmark" for solving it in a way that would satisfy both sides. "Both sides have made contradictory claims, with one saying it has been settled but another saying it has not been settled," he said. "So (the two sides) are expected to raise the issue of setting a benchmark that shows by what measures (the abduction issue) can be solved." Under the Shenyang accord, North Korea was to reinvestigate the abduction cases as swiftly as possible and try to complete the probe by fall last year, while Japan was to ease sanctions once the reinvestigation starts. "The Aso administration invalidated the (Shenyang) agreement," Song said, criticizing the administration for giving priority to the abduction issue despite Pyongyang's assertions that the issue has been solved. North Korean officials have said that strengthened

bilateral sanctions made it difficult for the country to launch a fresh investigation into the abduction cases. "If a DPJ-led administration follows the LDP's hostile policy toward (North) Korea, we don't expect to see any changes in (North) Korea-Japan relations," Song said. "But if (Hatoyama) takes a step to seriously improve (North) Korea-Japan relations, including the settlement of the past, we will move accordingly and appropriately," he said. Song said the main point of the Pyongyang Declaration -- signed between North Korean leader Kim Jong Il and then PM Koizumi at a 2002 meeting in Pyongyang -- is for Japan to settle issues stemming from Japan's 1910-1945 colonial rule of the Korean Peninsula. Asked what Japan should do to compensate for its past colonial rule, Song said, "Japan must find out its own task by itself and do it" because Japan is aware of crimes it committed against the Korean people. (Kyodo, "Japan, N. Korea Need New Accord to Improve Ties: North Envoy," September 11, 2009)

DoS daily briefing: **Q:** On North Korea, following up on our conversation yesterday, since this consensus has emerged along with the Six-Party partners that the U.S., you know, would be prepared to engage North Korea bilaterally as a means to get back to Six-Party Talks on dismantling the nuclear thing, what - have you now taken a decision on whether you'll accept the invitation for Bosworth to go to Pyongyang? **CROWLEY:** Well, first and foremost, Ambassador Bosworth has returned, as has Ambassador Kim. We had consultations with our partners in the Six-Party process. And as we've indicated, we are prepared to enter into a bilateral discussion with North Korea, but it's important to characterize it properly. It's a bilateral discussion that - **hopefully within the Six-Party context** - and it's designed to convince North Korea to come back to the Six-Party process and to take affirmative steps towards denuclearization. So given where we are, we, the United States, other countries - if, through a bilateral process, we can bring them back to the Six-Party process, that is our objective. But as we've indicated, we're prepared to do what we can to try to bring North Korea back to -- **Q:** So as a short-term measure, as a means to an end of getting them back to the Six-Party process and the nuclear talks, would you then send -- **CROWLEY:** And we think there's consensus that we're prepared to do that -- **Q:** So that means - would that include - would that step include sending Bosworth, then, to Pyongyang -- **CROWLEY:** We're - we'll be taking some decisions in the next couple of weeks in light of our recent consultation. We are prepared to meet with North Korea. When it'll happen, where it'll happen, we'll have to wait and see. We've made no decisions at this point, other than to say we are prepared for a bilateral talk if that will help advance their Six-Party process. **Q:** Well, why a couple of weeks? I mean, if you've had this consultation, you've decided that you're ready to talk to them to bring them back, you talk about the urgency to bring them back - he was out there. Why didn't he just go there? **CROWLEY:** Well, I mean, obviously, you - the UN General Assembly, to give you an example, will provide an opportunity at a high level for leaders to talk to the countries of the Six-Party process. I don't know that that'll happen. That might happen individually. But obviously, the President, the Secretary of State and others will have the opportunity to talk to all the countries in the Six-Party process. So I would point to that as being perhaps the next step. But we're prepared to - for dialogue with North Korea, but we're - we -- **Q:** Is the Secretary willing to meet with the North Korean foreign minister at UNGA? **CROWLEY:** I have - there's nothing on her schedule that would suggest that's going to happen. **Q:** I thought your policy wasn't to



talk to North Korea unless it was in the context of the Six-Party Talks. **CROWLEY:** And just to be clear, any discussion that we would have with North Korea will be in the context of the Six-Party process. The purpose of that discussion will be to try to convince North Korea to return to a multilateral process, and more specifically, to go back to its obligations and its agreement in 2005 to denuclearize. **Q:** But just recently, the North Korean - you had said the North Koreans needed to say they were going to return to the talks before you would engage them bilaterally. So this is a significant shift in policy. **CROWLEY:** I - it is not. It is simply if a bilateral discussion will lead us back to a Six-Party process, then why would we not do that? ... **Q:** This is a shift, yeah. And we reported it yesterday. (Laughter.) You can read - log on to Bloomberg. You can read it. ... **CROWLEY:** -- what we're looking for is - it is if - to find - I mean, what we want, which is not a shift at all, is a return to the Six-Party process. And if a bilateral discussion can lead us back to a Six-Party process, we think that is a legitimate means to a desirable end. (DoS Daily Briefing, Assistant Secretary Philip J. Crowley, September 10, 2009)

The South will ensure that its policy on North Korea will remain firm in order to take the initiative in inter-Korean affairs, including the nuclear crisis, according to President Lee Myung-bak. In a breakfast meeting with foreign affairs and security advisers at the Blue House, Lee said North Korea has made a series of conflicting moves, interpreting them as signs of instability in the reclusive communist state. "North Korea recently showed two-faced attitudes by making conciliatory gestures, while at the same time claiming progress in its uranium enrichment programs," President Lee was quoted as saying by his senior secretary for public affairs, Lee Dong-kwan. "This shows that the situation surrounding the North is very flexible." However, the president said the situation can be seen in a positive light because it may serve as an opportunity to create a new turning point in the nuclear issue. Blue House officials said Seoul will not be deterred by the conflicting signals coming out of Pyongyang. "Flexibility can mean confusion and lead to a lack of confidence," a Blue House official said. "In such a situation, we must remain firm, which will allow us to take the initiative." President Lee told his advisers that his administration will not respond to Pyongyang's every single move. "This is an important period of transition and turmoil in inter-Korean relations," Lee said. "We must set forth a future-oriented policy in order to be positively evaluated in 20 or 30 years." Lee told his advisers that he had explained Seoul's position to the North's envoys during their meeting with him last month on the eve of former President Kim Dae-jung's funeral. "I have stressed that the two Koreas will see progress if sincere dialogue is assured," Lee was quoted as saying. "I also explained to the North's delegation that South Korea will encourage the international community to help dramatically improve the North's economy if Pyongyang is determined to give up its nuclear arms programs." (Ser Myo-ja, "Lee Determined to Stand His Ground on North," *JoongAng Ilbo*, September 12, 2009) The course and speed of South Korean authorities' response remains an issue. Analysts are saying the South Korean government appears loath to "catch the ball." South Korean authorities have stated that they do not intend to use this latest step from North Korea as an opportunity for immediately proceeding into inter-Korean discussions with the aim of resolving issues essential to encouraging activity at the Kaesong complex, such as building dormitories or problems related to passage, communications and customs. In other words, they plan to only address the issue of wages at Kaesong, while otherwise maintaining the tone of the Lee Administration's

present North Korea policy. This approach appears to fall in line with statements made by President Lee Myung-bak at a breakfast talk with advisers on foreign policy and national security. There, the president said, **"Now is both a momentous turning point and a time of upheaval in inter-Korean relations" and that the South Korean government "will not fluctuate from joy to sorrow depending on the situation, but instead will maintain a consistent and open keynote towards North Korea."** Another government official derided North Korea's measure by saying, "It means they need cash that badly." Contrary to this government official's response, experts on North Korea issues are calling for an active and affirmative response from the government. Kim Yeon-cheol, head of Hankyoreh Peace Research Institute says, "If the government maintains an unresponsive approach to repeated messages from North Korea, and places everything on the nuclear issue, inter-Korean relations could serious deteriorate before long." (*Hankyoreh*, "North Korea Makes Overtures to Normalize Kaesong Project," September 13, 2009)

9/13/09

Ogura Kazuo, Japan Foundation president, op-ed: "The important point that we have to reflect upon is the rapidity and intensity of the formation of an "alliance" between some American 'experts' on Japan and Japanese intellectuals who have been close to the conservative camp in Japan. They tend to echo each other whenever the Japanese side tries to 'review' some aspects of the Japan-U.S. alliance. The concerns or criticisms voiced by American 'experts' have frequently been quoted by Japanese security or diplomatic 'experts' as signs, or potential signs of strain, in Japan-U.S. relations. Then voices begin to be heard in Japan that there is a danger or risk of deterioration in relations with the U.S. These voices apparently take it for granted that any bad impact upon Japan-U.S relations should be avoided at all cost and that the upholding of good Japan-U.S. relations is, in itself, the most important priority in the diplomacy of Japan toward the U.S. In the eyes of some Japanese 'experts,' keeping up good relations with the U.S. is essential for maintaining the credibility of the alliance. However sound and reasonable it may appear at first sight, this approach confuses the question of credibility – based on the balance of interests – with the absence of criticism of the balance of the alliance. Convergence of strategic interests is more important than friendly sentiment. Moreover, if the U.S. administration refuses to review what the Japanese conservative government agreed with the Bush administration on the grounds that a state-to-state agreement should not be altered as the result of a change in administration, it will be legitimate for Japan and Europe to demand that volte-faces of the U.S. administration with regard to the Iraq war or nuclear or environmental issues are not acceptable if they run counter to past international understandings with the Americans. In any event, the argument that calm, good relations with the U.S. are the top priority for Japan is wrong. A truly good relationship is one in which both sides frankly discuss the merits and demerits of any part of their relations. Attempts to discourage Japanese comments that taste bitter to Americans do not, in the long run, serve to promote good relations between Japan and the U.S. At present, there is a political danger that some conservative elements in Japan and their American counterparts are trying to form an invisible alliance to weaken the diplomatic credibility of new Japanese political forces by shouting that such and such comments or moves will have a bad impact on friendly relations with the U.S. Sensible people on both sides of the Pacific should defy such cries and emancipate Japan-U.S. relations from the hands of 'good-relations-first

advocates.' At the same time, the new administration in Japan should understand a sentimental rebellion against "Americanism" does not serve any purpose and that Japan's relations with the U.S. should be fundamentally based on Japan's strategic considerations, taking into account the rise of China, the long-term role of American forces in Asia, and the possible roles that Japan could play between the two large 'military' powers in Asia. Japan's 'fraternity' with the U.S. should go far beyond 'friendship.'" (Ogoura Kazuo, "'Real' Fraternity with U.S.," *Japan Times*, September 13, 2009)

9/14/09

Japan accepts the U.S. idea of engaging in direct bilateral talks with North Korea as long as it is under the framework of the six-party talks on disbanding Pyongyang's nuclear arsenal, Vice FM Yabunaka Mitoji told a press conference. "If it is to help the six-party talks move forward, it is one effort (that can be made)," the ministry's top bureaucrat said after U.S. State Department spokesman Philip Crowley showed a softening U.S. stance by expressing readiness to engage in the bilateral dialogue. "Our idea is that the six-party talks is the most effective and realistic venue to deal with this (nuclear) issue. And the dialogue between the United States and North Korea has taken place within that framework," Yabunaka said. (Kyodo, "U.S., N. Korea Talks Acceptable under 6-Way Framework: Japan," September 14, 2009)

WikiLeaks cable: "C O N F I D E N T I A L SECTION 01 OF 02 TOKYO 002125 SUBJECT: THE DEPUTY SECRETARY'S JUNE 2 MEETING WITH PRIME MINISTER ASO ¶1. (C) Summary. **The United States and its Allies have reached an "inflection point" and need a new strategy to convince Pyongyang to change**, visiting DepSec told PM Taro Aso during a June 1 meeting in Tokyo. Steinberg said he plans to tell the PRC that unless the North Korea agrees to change its behavior, the U.S., Japan and South Korea will have no choice but to take steps to enhance their security in ways that China will likely see as having an impact on China's security. Aso agreed the Chinese play the most important role in influencing the DPRK. The PM advocated using the UNSC to step up international pressure on Pyongyang through increased financial sanctions, and recommended the U.S. and Japan should strengthen their bilateral alliance. End Summary. ¶2. (C) Aso expressed thanks to the delegation for coming to Tokyo for consultations after his call to President Obama. The PM said he had spoken to President Obama about the DPRK, during which time he mentioned the importance of the United States and Japan working together. Aso said North Korea was an even more serious problem than Iran because Pyongyang has already tested a nuclear device. The DPRK's threat to Northeast Asia is far greater than that of Iran to the Middle East. ¶3. (C) Steinberg extended his congratulations on Aso becoming Prime Minister, noting that on the Deputy Secretary's last trip to Japan, he had been an out-of-government academic and Aso was foreign minister. Introducing the large interagency U.S. delegation, the Deputy said the size of the contingent reflects the size of the challenge. ¶4. (C) Steinberg made three points: -- The U.S. and Japan share a common view of the nature of the threat posed by North Korea to Northeast Asian security. -- **We have reached an "inflection point" and need a new strategy to convince Pyongyang to change. If the DPRK will not change, we will need to take steps to enhance our security in the face of the threat.** -- We must persuade China that it needs a new approach to North Korea. Beijing worries that pressing Pyongyang will lead to instability. We need to

make clear to the PRC that unless the DPRK changes, the U.S., Japan and South Korea will take steps to enhance our security that will have an impact on China's security. Therefore, it is in Beijing's interest to persuade North Korea to change. ¶5. (C) PM Aso said he basically agreed with Steinberg. **We must remember that the Korean War never ended. Therefore, the DPRK does not think the war is over, rather they believe it could start again anytime. The ROK now has a big advantage in conventional forces, so it is natural for the DPRK to consider the nuclear option. Without nuclear weapons, North Korea is just a poor country. It fears that without nuclear weapons, they will be defeated by the U.S.** ¶6. (C) Aso continued the Chinese role is the most important in influencing the DPRK. Beijing does not want North Korea to become like South Korea ) it wants to maintain the status quo. If the DPRK fails, refugees cross into China. Therefore, we have placed more PLA forces along the border. Also, many refugees will go to the ROK as well. Unfortunately, this would place a huge burden on the ROK. ¶7. (C) Accordingly, we must consider what to tell the PRC, the PM related. Aso outlined three main points: -- The UNSC should use international pressure to strengthen its efforts. Any new UNSC resolution should include additional sanctions (the financial sanctions taken against Banco Delta Asia were very effective). Such sanctions can be done without the need for additional laws, but by strengthening regulations. -- The U.S. and Japan should strengthen their bilateral alliance. China will not like this. But President Obama promised to support this, Aso asserted. -- Until ten years ago, Japanese public opinion thought of me as a rightist, Aso said, but now I have become more mainstream. I have not changed, but Japanese public opinion has become more hawkish. Many in Japan are saying Tokyo should obtain offensive weapons. This shift in Japanese public opinion was accelerated by provocative North Korean actions. ¶8. (C) The DepSec said he agreed with point one; China's first choice is to have a DPRK without nuclear weapons. However, unless we put more pressure on the DPRK, that choice is not available. The PRC's remaining choices are for a nuclear armed and dangerous North Korea or taking stronger measures that might destabilize the regime and lead to more refugees. Steinberg likewise concurred with points two and three, noting that if the international community fails to persuade the DPRK to give up its nuclear program, we will need to take steps. Those steps will not be aimed at China, but could affect the security environment for Beijing. The U.S. is fully committed to strengthening the trilateral U.S.-Japan-ROK relationship, the DepSec added. ¶9. (C) At the DepSec's request, SR Bosworth outlined the U.S. diplomatic approach with regard to North Korea should it change its policy: -- Our objective is the verifiable denuclearization of the Korean Peninsula. -- The U.S. may need to develop an imaginative formula to accomplish this task in an irreversible way. -- The U.S. is prepared to engage bilaterally, but within a multilateral framework because: a) we are obligated to support our allies, and b) we have more effective talks if we act together than if we act alone. -- **The Five Parties must review its strategy regarding: a) the principle of action-for-action - irreversibility, and b) we may need to discuss a permanent peace arrangement for the peninsula.** -- Washington will fully consult with the Japanese Government. ¶10. (C) On June 2, PM Aso sent a three-four page letter to Embassy Tokyo outlining his views on what the PM believes are growing differences between the Kim Jong-il Administration and the DPRK military. The PM's office asked that the letter be sent to Deputy Secretary as a follow-up to the June 1 discussion.

Embassy forwarded the letter by classified facsimile (Ref A). ¶11. (U) The Deputy Secretary cleared this cable. ROOS"

South Korea permitted a delegation from a private foundation to visit North Korea this week to celebrate the completion of a science and technology university jointly built with the North, Seoul's Unification Ministry said today. The ceremony for the Pyongyang University of Science and Technology is scheduled for September 16, according to ministry spokesperson Chun Hae-sung. He said the 20-member delegation will make a three-day trip to the North beginning tomorrow. The delegation includes Kwak Seon-hee, head of the Seoul-based Northeast Asia Foundation for Education and Culture, which was mostly responsible for organizing donations and funds for the university, the first to be jointly-operated with an organization not based in the North. The move marks the first time that the Seoul government has approved a non-humanitarian visit to the North since the communist state carried out its second nuclear test in May. (Yonhap, "Seoul Approves N.K. Trip to Mark Completion of Tech University," September 14, 2009)

Geoffrey Forden, a research associate at MIT's Science, Technology and Global Security Working Group, stated in a September 14 post on armscontrolwonk.com that he obtained "internal secret Iranian documents" showing how several countries are helping Iran develop missiles or providing technology for them. "If my understanding is correct, they indicate that representatives from North Korea and China have been present at all phases of production and flight testing," Forden stated. "Iran has also gotten important help from Russia, though Russians do not appear to have been as ubiquitous as the Chinese and the North Koreans." The backing, outlined with code names, originated from "governmental level" entities, and not individuals operating outside the governments, he stated. Russian assistance to Iran's missile program - denied by Moscow in the past - includes "images of engines and turbopumps that are obviously of Russian origin - either their actual production or at the very least their designs - and these internal Iranian memos, make the case overwhelmingly," Forden said. "Iran is clearly mustering its industrial and intellectual infrastructure to produce long range missiles and, more importantly, to assimilate the knowhow to design and produce more advanced missiles in the future," Forden stated. (Bill Gertz, "Iranian Missile Support," *Washington Times*, September 18, 2009)

9/15/09

South Korean President Lee Myung Bak said he hopes Japanese Emperor Akihito will visit South Korea next year as 2010 marks a century since Japan's annexation of the Korean Peninsula. "A visit by the emperor would provide an opportunity to put an end to the sense of distance between the two countries," he said in an interview with Kyodo News at the presidential Blue House on the eve of the launch of the Hatoyama government. "I hope relations between the two countries will make a leap toward a higher level where we can trust each other completely." Lee also said North Korea may reach out to the new Japanese government following its conciliatory gestures to the United States and South Korea. But he stressed the need for each member of the six-party talks on North Korea's nuclear ambitions to take united action on North Korea to achieve the talks' goal of getting the North to abandon its nuclear programs and he expressed caution on possible progress in dialogue between Japan and North Korea

without addressing the nuclear issue. "If Japan offers economic cooperation in exchange for the settlement of the issue of abducted Japanese citizens, it would not get North Korea to abandon its nuclear weapons," he said. Lee expressed hope South Korea will deepen ties with Japan and settle historical issues under the Hatoyama government, paving the way for a visit by the emperor to South Korea next year. At the same time, however, he said it is "very important to see in what stance the emperor will visit," indicating the emperor needs to make some remarks expressing his regret over Japan's 1910-45 colonial rule of the Korean Peninsula. (Kosukegawa Yoichi, "S. Korea's President Hopes for Emperor's Visit Next Year," Kyodo, September 15, 2009) South Korea's president said that North Korea is showing no sign of giving up nuclear weapons, although the communist regime has made recent conciliatory gestures because U.N. sanctions against it are working. In a joint interview with South Korea's Yonhap news agency and Japan's Kyodo news agency, conservative President Lee Myung-bak also accused the North of trying to win economic aid while holding on to atomic weapons. He urged other members of the stalled six-nation talks with North Korea to "redouble efforts" to rid the North of nuclear weapons. "It appears to be true that North Korea is fairly embarrassed because of greater than expected real effects" of U.N. sanctions, Lee said, according to a published Yonhap transcript. Lee's office confirmed its contents. "North Korea is using some conciliatory strategy toward the United States, South Korea and Japan in order to get out of this crisis, but for now, North Korea is not showing any sincerity or sign that it will give up nuclear weapons," he said. (Jae-soon Chang, "S. Korea Says N. Korea Unwilling to Give up Nukes," Associated Press, September 15, 2009)

9/15-17/09 North Korean leader Kim Jong-il said in talks on the 17<sup>th</sup> with PRC State Councilor Dai Bingguo that he is willing to resolve an ongoing nuclear standoff with the international community through "bilateral or multilateral dialogue," Xinhua said. "North Korea will continue to maintain its goal of denuclearization and make efforts for the protection of peace and stability on the Korean Peninsula," Kim was quoted by Xinhua as telling Dai in the talks. "I hope to resolve this issue through bilateral or multilateral dialogue," he was quoted as saying. In a letter to Kim conveyed through his envoy, Hu said, "It is China's consistent goal to realize denuclearization of the Korean Peninsula and to safeguard and promote peace, stability and development of Northeast Asia," Xinhua said. "China is ready to spare no effort to work with the DPRK (North Korea) to realize such a goal," Hu said in the letter. KCNA said Kim "expressed thanks for this and asked the special envoy to convey his regards" to Hu. The two held talks "in an amicable atmosphere" on relations between the two countries and "a series of issues of mutual concern," it said. (Kim Hyun, "North Korean Leaders Says He Is Willing to Resolve Dispute through Talks," September 17, 2009) Dai held talks with First Vice Foreign Minister Kang Sok-ju on the 16<sup>th</sup>, discussing bilateral relations and regional and international issues of common concern, the Chinese Foreign Ministry reported, but it did not say if North Korea's controversial nuclear program was discussed. (Reuters, "Chinese Envoy Holds Talks in North Korea," September 16, 2009) In a letter delivered by Dai to Kim, President Hu said that the Chinese party and government have attached great importance to the relationship between China and the DPRK. Hu said that China has always considered China-DPRK's friendship the treasure of the two parties, two countries and the two peoples. In the spirit of carrying forward the tradition, facing to

the future, developing the good-neighborly relations and strengthening cooperation, China is ready to consolidate and develop the relationship between the two countries, he added. It is China's consistent goal to realize denuclearization of the Korean Peninsula and safeguard and promote peace, stability and development of Northeast Asia, said the Chinese president, adding that China is ready to spare no effort to work with the DPRK to realize such goals. Kim thanked the Chinese president for sending the envoy to bring him the letter and asked Dai to convey his greetings and best wishes to Hu. ... On the DPRK's stand on the Korean Peninsula situation and the Korean nuclear issues, Kim said that **the DPRK insists on denuclearization and tries to maintain peace and stability on the Korean Peninsula. The DPRK is willing to solve problems through bilateral or multilateral talks**, he added. (Xinhua, "DPRK Top Leader Meets Chinese Presidential Envoy," September 18, 2009)

9/16/09

Hatoyama installed as prime minister with Kan Naoto deputy PM, Hirano Hirofumi as chief cabinet secretary, FM Okada Katsuya, DefMin Kitazawa Toshimi. (*Japan Times*, "Hatoyama Cabinet," September 16, 2009)

FM Okada Katsuya interview: "For Japan, the US is a very important ally and there is no change, in that the US continues to be the most important relationship, not only in security affairs, but also in economic and other affairs. However, **seen from our perspective, under the government of the LDP, foreign policy was excessively dependent on the US.** ...Japan has its own national interests, whereas the U.S. have their own national interests, and we have to develop our foreign policy based on this premise. Let me cite one example. During the days of the Bush administration, the Japanese government was basically affirmative of the nuclear policy promoted by the Bush administration. But once there was a change over to President Obama, and he preached about a world without nuclear weapons, then the Japanese government turned to praise this new policy as wonderful. This really signified that Japan did not have its own policy. Of course, ultimately, we would like to make sure that the thinking of our two countries coincides as much as possible. But as a premise for that, I want to develop a foreign policy which will be able to convey our own thinking. **I would basically like to develop a foreign policy which attaches high importance to Asia.** My fundamental thinking is that we would like to secure the peace and prosperity of Asia, and through that achieve peace and prosperity for Japan. We are clearly different from the policies under Prime Minister Koizumi, when there was substantial tensions in the relationships with China and South Korea. If I present such an argument, there is a tendency toward suggestions in Japan that we are perhaps attaching higher importance to Asia than to the U.S. But that is not what I mean. **I am not saying that we have to make a choice between the US and Asia; we want to choose both the US and Asia.**" ... In terms of the relationship between Japan and the US, we have various issues, such as that of US bases in Okinawa, and the realignment of US forces in Japan as well as the revision of the Status of Forces Agreement, and then, although not directly related to US-Japan relations, there is also the question of the dispatch of [Japanese] Self Defense Forces to the Indian Ocean. Well, before becoming minister of foreign Affairs, I have told various US visitors to Japan that I am not saying that all of these issues must be placed on the negotiation table at the same time, but we have to be very cautious in discussing which one of these issues we should take up first up in order to ultimately

resolve each one. And therefore my intention is not to have conflict with the US, but to resolve these issues with the US. And it is for that purpose that we want to engage in discussions, and that is the most important point. ... The government of Japan has already issued in the past the Murayama Statement and I think that says it all. However, from time to time in the past, some elements within the Japanese government have taken actions that seemed to deviate from the thinking that is outlined in the Murayama Statement, which resulted in inviting mistrust from China or South Korea. We feel that it is not necessary to come up with some kind of a new statement once again, but we should be more future-oriented in terms of these relationships. ...[On South Korea's invitation to the Japanese Emperor:] Of course, a visit by the Emperor to a foreign country is indeed a very important event and therefore this is something that I would like to have close consultations on within the Japanese government. But one point I would like to make is that, needless to say, we would have to make sure that the Emperor is not politically taken advantage of, and therefore we would like to make sure that the Emperor is able to make a visit to a foreign country in a politically neutral environment. [On his order for an investigation into an alleged past secret understanding with the US under which US forces could bring nuclear weapons into Japanese territory:] I felt that this issue was important because diplomacy is not viable unless it is backed by the trust and support of the people. This so-called secret understanding has shaken the very foundations of diplomatic policy and therefore I felt that it was necessary to make sure that the facts are clearly identified. There are four types of secret understanding... These are said to have taken place many, many years ago. Whenever there were questions asked in the Diet to the minister or the prime minister of the time, they have denied the existence of such secret understandings and therefore they have missed the opportunity to make a change. I think this is the result of a lack of leadership on the part of the politicians. By making the facts of this case clear, I hope that it will serve as an impetus to make Japan's diplomacy and the Ministry of Foreign Affairs open to the Japanese people." (*Financial Times*, "Under the LDP, Foreign Policy Was Excessively Dependent on the U.S.," September 18, 2009)

Dai Bingguo, China's state councilor who oversees foreign policy, visited North Korea on September 16, immediately after China abruptly closed a pipeline that supplies crude oil to North Korea. The pipeline, which runs from Dandong, Liaoning province, supplies more than 90 percent of North Korea's crude oil demand. "The move was designed to ensure the success of Dai's visit by severing (North Korea's) lifeline and exerting pressure," a source close to the CPC said. Dai's mission was to keep North Korea from abandoning the six-party talks on North Korea's nuclear program, which were last held in December 2008. In a meeting with Dai, Kim Jong Il said: "North Korea wants to solve (the denuclearization issue) through bilateral and multilateral dialogue." (Minemura Kenji, "N. Korea Squirms after China Raps Test," *Asahi Shimbun*, February 24, 2010)

9/18/09

FM Yu Myung-hwan warned South Koreans that it would be "naive thinking" to believe that North Korea would not target the South with its nuclear weapons. "It is dangerous and naive to believe that North Korea's nuclear weapons involve only the United States, and to doubt that the North would ever use the weapons on the South," the minister said in a breakfast meeting hosted by the Korea Chamber of Commerce and Industry.



He stressed that North Korean nuclear weapons programs directly affect South Korea, which is why contrary to Pyongyang's claims, the nuclear standoff concerns Seoul and also all other regional partners. "The six-nation talks are the most effective negotiation framework to resolve the North Korean nuclear issue. Therefore, any talks between the United States and North Korea must happen with the goal of getting the North back to the six-party talk framework and reactivate the denuclearization process," Yu said. The minister's comments -- regarded by many including other government sources as being "outspoken" and "upfront" -- came as Washington and Pyongyang are trying to hammer out an agreement for a bilateral meeting. But he was quick to add that the government has a two-track policy towards the North, which is to honor both sanctions and dialogue. The same line of policy appears to be valid in Washington, officials here said. They denied that the minister's comments were aimed as a warning to the United States to keep them committed to the six-nation talks. (Kim Ji-hyun, "Foreign Minister Says N.K. Nukes Target South," *Korea Herald*, September 19, 2009)

WikiLeaks cable: "S E C R E T TOKYO 002197 9/21/09 SUBJECT: EAP ASSISTANT SECRETARY KURT CAMPBELL'S MEETING WITH MOFA DG AKITAKA SAIKI ¶1. (S) SUMMARY: Assistant Secretary of State (A/S) for East Asian and Pacific Affairs Kurt Campbell met with Japanese Ministry of Foreign Affairs (MOFA) Director General (DG) of the Asian and Oceanian Affairs Bureau Akitaka Saiki at the latter's Tokyo office on September 18. **DG Saiki praised MOFA's new leader, Foreign Minister Katsuya Okada, but warned that the new administration's threat to tame the Japanese bureaucracy would end in failure.** A/S Campbell and DG Saiki discussed former President Bill Clinton's mission to Pyongyang to free two U.S. journalists, the current situation regarding the Six Party Talks, the unresolved issue of North Korea's abduction of Japanese citizens, and the humanitarian situation in North Korea. Saiki said he was disappointed in regional architecture initiatives such as ASEAN and did not understand why China decided not to participate in a U.S.-Japan-PRC trilateral, but was optimistic about an upcoming trilateral summit involving Japan, South Korea, and China. Saiki concluded by speaking about U.S.-Japan and U.S.-ROK relations under the new Democratic Party of Japan (DPJ)-led government. END SUMMARY. ¶2. (C) Speaking about the new DPJ government, DG Saiki said he was glad to have Katsuya Okada heading the Foreign Ministry, as he is "very intellectual" and "understands the issues." Saiki explained that Okada did not pose any problems in his areas of responsibility -- North Korea, South Korea, and China. Although some bureaucrats were worried about the DPJ government's threat to diminish their power, Saiki warned that if the DPJ tried to crush the pride of professional bureaucrats, it would not succeed. ¶3. (S) Saiki expressed his appreciation for USG cooperation and close consultation related to North Korean issues. The DG mentioned that he had confirmed with Foreign Minister Okada that UN sanctions on the DPRK should be maintained. Saiki spoke about China's nervousness about the North's recent behavior, its desire to avoid seeing instability or collapse in the neighboring country, and its continuing preference to see a divided Korean peninsula that provided a geopolitical buffer. **He then talked about the DPRK's dislike for the Six Party Talks (so much as to insist on avoiding the word "six" and instead calling it "multilateral" talks) and concluded that whether or not the North Koreans return to the table would depend on U.S.-DPRK bilateral talks. Saiki relayed that when he asked the North whether they preferred to have one of**

**the six parties removed from the framework, the answer was no.** A cosmetic change such as the addition of Mongolia, which had expressed an interest in joining the Six Party process, may be a possible way out of the current stalemate, Saiki conjectured.

¶4. (S) Saiki lamented that the DPRK believes that 2002 was "a mistake"--referring to when North Korea admitted that it had abducted Japanese citizens. The DG xxxxxxxxxxx explained that the fate of Megumi Yokota was the biggest issue, since she was still relatively young (in her forties) and the public was most sympathetic to her case. xxxxxxxxxxx Saiki was concerned that the new minister in charge of abductions, Hiroshi Nakai, was a hardliner. Saiki concluded by saying the Japanese needed to sit down with the North Koreans to decide how to make progress on the abductions issue, and that the new Japanese government would be just as attentive as the Liberal Democratic Party was to the problem.

¶5. (C) With a harvest coming up in one month, the North faced a fertilizer problem and a drastic decrease in food production, said Saiki. As a result, the black market was very active. In this context and because of the effects of UN Resolution 1874, DPRK leaders were only concerned with themselves, according to Saiki.

¶6. (S) Saiki confessed that he was "very disappointed" with initiatives such as ASEAN and ARF, where leaders tend to talk about the same topics using the same talking points. Despite the frustration stemming from the need to form a consensus on all decisions between ten countries with "unequal economies," Saiki stated that "we must continue" and cannot allow China to dominate in Southeast Asia. At the same time, Saiki admitted that ASEAN countries were calculating in their own ways, and often played Japan and China against each other. Saiki said that Indonesia was Japan's most reliable partner in ASEAN.

¶7. (C) He spoke more optimistically about the trilateral summit planned for October 10 between Japan, China, and South Korea. Saiki said that Japan wanted China to be more responsible and transparent and hoped the upcoming trilateral would help nudge it in that direction.

¶8. (C) On the possible trilateral dialogue between the U.S., Japan, and China, Saiki wondered why the Chinese had changed their minds and cancelled their participation at the last minute. Campbell replied that despite the USG's best efforts to confirm Chinese participation, we received no reply from China.

¶9. (S) **Regarding DPJ leaders' call for an "equal relationship" with the U.S., Saiki confessed that he did not know what was on the minds of Prime Minister Yukio Hatoyama and FM Okada, as the bilateral relationship was already equal. Saiki theorized that the DPJ, as an inexperienced ruling party, felt the need to project an image of power and confidence by showing it had Japan's powerful bureaucrats under control and was in charge of a new and bold foreign policy that challenged the U.S. Saiki called this way of thinking "stupid" and said "they will learn."**

¶10. (C) Saiki said the Lee Myung-bak government in South Korea was good for Japan because it was forward-looking. He pointed out that 2010 was a critical year for the two nations because it marked the centennial anniversary of the Japanese annexation of Korea. Saiki stated that historical issues such as Takeshima-Dokdo may cause tension between Japan and the ROK in the near future, with guidelines for teachers regarding high school textbooks scheduled to be revised, and recommended that the U.S. not get involved. On the other hand, ROK President Lee Myung-bak's strong desire to have Hatoyama visit Seoul on or around the date of the trilateral summit between Japan, South Korea, and China, may strengthen bilateral relations between the neighboring countries. Saiki continued that the Foreign Minister supported such a visit, but there was no reply as of yet from the Prime

Minister's Office. ¶11. (U) Participants: DG Saiki, Director Tarumi (Chinese and Mongolian Affairs), Director Shimada (Northeast Asian Affairs) A/S Campbell, DOD PDAS Derek Mitchell, DCM Jim Zumwalt, Japan Desk Director Kevin Maher, Tokyo POL M/C Rob Luke, Special Assistant Mark Tesone, Tokyo POL Andrew Ou (notetaker) ¶12. (C) This cable has been cleared by Assistant Secretary Campbell. ROOS"

9/19/09

North Korea shut down its largest unofficial market sometime in June and vendors were dispersed to two or three smaller nearby markets in a sign that the Communist government was intent on quashing, or at least better controlling, market activities that it had tolerated for years, the Network for North Korean Democracy and Human Rights, or NKNet, said last week. NKNet reported that the authorities had shut Pyongsong because vendors in the prosperous market did not donate to "urban beautification." North Korea watchers have said the government is making a push to beautify cities before 2012, when the country's leader, Kim Jong-il, is expected to say which of his three sons will succeed him. Some analysts say the North is cracking down on the markets because it fears the spread of capitalist ideas. But others say its move, against Pyongsong at least, might not be ideological. "Many members of the elite are making money off these markets, so I don't think the government will try to completely shut down the markets," said Kay Seok, a Seoul-based researcher for Human Rights Watch, who has studied the North's market activities. "Instead, they will try and figure out a way to control the markets as much as possible while making as much profit out of them as possible." After years of allowing unofficial markets to operate, North Korea began placing restrictions on them in 2005, a campaign that defectors say has had limited success as people find ways around the rules. In January, North Korea announced that informal markets should open only once every 10 days, and should sell only clothes and privately produced farm produce, according to *Chosun Ilbo*. Manufactured and imported goods should be sold only in state-run stores, the new directive said. (Choe Sang-hun, "North Korea Said to Shut Markets in Bid for Control," *New York Times*, September 20, 2009, p. 14)

North Korea is slowly but steadily opening up its market for foreign movies and shows. The communist country has traditionally used popular media as a tool for propaganda. The first sign of changes in the North's Central Broadcasting Station, the nation's sole TV channel, appeared July 3 with a commercial for Taedonggang Beer, the North's first. Before the commercial, North Korean television had focused on political propaganda. Since then, the station has launched a series of commercials for hawking products like Kaesong Ginseng, Cosmos Hairpin and a quail dish of the restaurant Okryukwan. The latest programs include those on science and technology and culture of other nations. In prime time, the station even televised a Russian ballet performance of Swan Lake for one hour. Recently, the North has televised the shows "International Common Sense," "Animals in the World," and "Foreign Culture," programs which had been abolished long ago. Those programs even show the daily lives of Westerners. North Korea's attitude toward foreign movies has also changed. CD-ROMs containing foreign movies have been manufactured by the state-run Hana Electronics, which has sold them across the nation. Most of the CD-ROMs include foreign movies aired by Mansudae TV, which serves Pyongyang only. The Disney productions of "Cinderella," "Pinocchio," "Sleeping Beauty" and "Robin Hood" are available across the nation. The popular American

cartoon "Tom and Jerry" is called "The Magic World of a Mouse" in the North. The proliferation of foreign movies has also led to an increase in secret movie rental stores. Yet most foreign programs broadcast in North Korea are created in China, which, in turn, has encouraged North Koreans to adopt the Chinese way of life. Mansudae TV routinely broadcasts Chinese soap operas like the drama "Unnamed Hero" and "Vertical Blow," which shows the training of China's special forces. Despite the apparent liberalization of North Korean television, Pyongyang has toughened its punishment for those watching South Korean TV programs. In the past, punishment for watching a South Korean program was usually avoided through a bribe but the offense is now considered more severe than a drug-related crime. "The Pathetic Life of South Koreans in Crisis," a 10-minute-long video clip broadcast by the Central Broadcasting Station July 29, was apparently made to prevent North Koreans from getting illusions about life in the South. "Military Guard under a Neon Light," a play watched by North Korean leader Kim Jong Il last month, reflects the intentions of North Korean leaders. Adapted from a Chinese play, the play has as its setting Shanghai of the late 1940s after China's liberation from Japanese colonial rule. The neon light is meant to criticize the growing fetishism of capitalism. North Korean soldiers must watch the play, whose message is that those addicted to bourgeois life cannot pursue revolution and that capitalistic principles should be prevented from infiltrating into the nation. (*Dong-A Ilbo*, "N. Korea Growing Tolerant of Foreign Movies," September 19, 2009)

9/20/09

Asked about North Korea, Obama said his administration has been successful so far in ratcheting up international diplomatic pressure. "We have been able to hold together a coalition that includes the Chinese and the Russians to really apply some of the toughest sanctions we've seen, and it's having an impact," the president said. In addition, former President Bill Clinton brought back valuable information about North Korean leader Kim Jong-il from his mission to help two imprisoned American journalists return home, Obama told King. "I think President Clinton's assessment was that [Kim is] pretty healthy and in control," the president said, "And that's important to know, because we don't have a lot of interaction with the North Koreans. And, you know, President Clinton had a chance to see him close up and have conversations with him. I won't go into any more details than that. But there's no doubt that this is somebody who, you know, I think for a while people thought was slipping away. He's reasserted himself. It does appear that he's concerned about -- he was more concerned about succession when he was -- succession when he was sick, maybe less so now that he's well." (President Obama, CNN "State of the Union, September 20, 2009)

9/21/09

A united South and North Korea could boast an economy larger than France, Germany and possibly Japan by the middle of the century, according to a Goldman Sachs Group study that may shake up conventional wisdom about unification. Since the reunification of West and East Germany, South Korean leaders and economists have convinced many people here that reuniting with North Korea will be costly and disruptive. In the latest gloomy forecast, a government think tank last month said that the tax burden ratio, or proportion of tax revenue to gross domestic product, would need to rise by two percent and stay that way for 60 years to pay for reunification. In the study released today, Goldman Sachs economist Kwon Goo-hoon says the risks of reunification need to be re-evaluated, particularly in the wake of the rapid development of countries like Vietnam

and Mongolia that also had state-run economies like North Korea's. His study contains North Korean data that he acknowledges may not be accurate and assumptions about future behavior that may not pan out. Even so, its tone is more optimistic than previous studies that contributed to South Koreans' ambivalence about unification. In an interview, Kwon said he believed for a long time that unification would be too costly for the South. He based that view largely on what happened with the newly united Germany, where the currencies were quickly equalized, the border opened and huge transfer payments made from the former West to the former East Germany. "It has been said in South Korea that the country cannot afford nor manage unification," Mr. Kwon said. "The flip side of that equation is that with the proper policy incentives for those in the North, a win-win scenario through investments is possible." (Evan Ramstad, "Goldman Sachs Has a Different View of Korean Unification," *Wall Street Journal*, September 21, 2009)

President Lee Myung-bak called for a "grand bargain" with North Korea to end the Stalinist country's nuclear program once and for all. "Now is the time to seek a grand bargain or package settlement. Through the six-party talks, **North Korea would first dismantle** the key elements of its nuclear program and then we would provide security guarantees and international assistance" Lee said. He made the remarks at a meeting in New York hosted by the Korea Society, the Asia Society and the U.S. Council on Foreign Relations. "We must not repeat our mistake of the past 20 years when we allowed the North Korean nuclear issue to return to its starting point by agreeing to a nuclear freeze and rewarding the North for such an agreement while ignoring the fundamental issue of complete nuclear dismantlement," he said. Lee first mentioned a comprehensive package in a meeting with U.S. President Barack Obama in June. Working-level officials from the U.S., China, Japan, Russia and South Korea, except North Korea, have discussed the package behind the scenes. But it was the first time Lee used the term "grand bargain" in an international forum. He said North Korea "should not misunderstand this process as a threat to its system or an attempt to encircle it. No nation on earth would antagonize North Korea if it abandons nuclear programs and joins the international community." But he warned denuclearization "is the only way for North Korea to survive and develop itself." (*Chosun Ilbo*, "Lee Calls for 'Grand Bargain' with N. Korea," September 22, 2009) "Unification with North Korea is important, but it's more important for the two Koreas to live in peace," Lee said in reply to a question. "The economic gap is too substantial for unification now. One-third of North Koreans are starving. That's why we're prepared to help North Korea if its gives up on weapons." (Yonhap, "President Lee Proposes 'Grand Bargain' to Resolve N. Korean Nuke Issue," Newsletter No. 73, September 24, 2009) Kurt Campbell: **Q:** The South Korean president today at the Council of Foreign Relations said the South Koreans wanted to offer a grand bargain on North Korea. Could you talk a little about that? That's (inaudible). **CAMPBELL:** Actually, I - **to be perfectly honest, I was not aware of that. Nothing of the sort came up in our session with the South Korean counterparts.** In fact, the point that we tried to make was how careful that we need to be at this juncture to be consolidated in our approach, and that if we're to move together, it has to be in response to responsible steps on the part of the - North Korea. I would imagine what the President was underscoring was that if North Korea take a - makes a serious commitment, a responsible commitment to all the principles that they've underscored in

2005 and 2007, then the international community - not just the United States, but South Korea, Japan and others - would be prepared to put together a package of things. I assume that's what he's saying, but I hadn't seen his response. And that has been the general position going forward for many months now. The problem is we're at the very, very early stages of this. And **what we're trying to get is the North Koreans to make small, but fundamental steps so that we can at least take some early actions going forth.** (Assistant Secretary of State Kurt Campbell, Korean Bilateral Meeting and Preview of the Japan Bilateral and Japan-Australia Trilateral Meetings at 2 p.m., September 21, 2009) DoS spokesman Ian Kelly: "Regarding President Lee's speech at the Council on Foreign Relations, I think it's really not for me to comment on the particulars, because this is his policy. These were his remarks. ...I think that we all agree that the final goal is the complete denuclearization. And that's what we're focused on, and we're willing to look at other approaches if the North Koreans agree to uphold their commitments that they've already made." (DoS Daily Briefing, September 22, 2009)

9/22/09

Prime Minister Hatoyama Yukio proposed the formation of an East Asian Community and called for China's cooperation in achieving that goal during talks with Chinese President Hu Jintao. "Japan and China should build mutual trust while acknowledging their differences, and on that basis, I propose the formation of an East Asian Community," Hatoyama said during the meeting held at a New York hotel, his first one-on-one meeting with the Chinese leader since he became prime minister, following his Democratic Party of Japan's historic election victory. Hatoyama also urged Hu to start negotiations for a bilateral treaty covering the joint development by Japan and China of disputed gas fields in the East China Sea. "I want to change the sea of problems into the sea of fraternity," Hatoyama said. In response, Hu pointed out the importance of cooperation between the two countries over the gas field development issue and proposed launching working-level talks in the near future. "It should be a sea of peace, friendship and cooperation," Hu said. Hu made five proposals. He called for more frequent top-level mutual visits; stronger and more advanced cooperation on the economy and trade; improvement in the mutual sentiments of the people of the two nations; promotion of cooperation in addressing Asian and global issues; and appropriately solving differences in opinion between the two countries. Hu officially invited Hatoyama to visit Beijing for a meeting in early October. Hatoyama formally responded that he would accept the invitation. The meeting for Japanese, Chinese and South Korean leaders had already been scheduled in advance. Hatoyama also pledged to support a 1995 statement by then Prime Minister Tomiichi Murayama expressing deep regret for Japan's past colonial rule and military aggression. "I'd like to highly commend the series of remarks made by the prime minister," Hu reportedly said. (Kobayashi Kohei and Murao Takashi, "P.M. Pushes E. Asia Grouping; In Talks with China's Hu Hatoyama also Discusses Oil Field Issue," *Yomiuri Shimbun*, September 22, 2009)

Four North Korean containers seized in the South Korean port of Busan had items related to chemical weapons. [Protective clothing] The National Intelligence Service and the Korea Coast Guard seized the containers shipped by North Korea on a Panama-registered freighter September 22. A government official in Seoul, however, said, "The items shipped on the freighter were related to the Australia Group." The official also

denied that the items on the freighter were chemical weapons, saying, "No. They're neither chemical weapons nor materials used in chemical weapons. They're also not manufacturing facilities to produce chemical weapons." Established in 1984, the Australia Group is an informal forum of 33 countries including South Korea to prevent the production and spread of chemical weapons. Speculation has grown that the items are probably clothing to protect against chemical weapons, but the South Korean government has not officially confirmed or denied this. A government source in Seoul said, "The (South) Korea Coast Guard ordered the freighter, which left the port of Busan and sailed through waters near Geoje Island, to return and seized the containers." The 90,000-ton freighter left the Chinese port of Tianjin September 19 and arrived in Busan two days later. It then left Busan Sept. 22 and returned to the port late at night on the same day. The freighter left for Dalian, China, on the morning of September 23. South Korean intelligence and the foreign and unification ministries said they cannot confirm anything. A high-ranking source at the presidential office of Cheong Wa Dae also said, "We cannot mention the issue since several sensitive problems are involved." (*Dong-A Ilbo*, "Seized Containers Had Chemical Weapon Items," October 6, 2009) "(South) Korean and U.S. intelligence are focused on the fact that the seized containers were heading for Syria," the source said. "They are concerned that protective clothing in containers can be used to develop weapons of mass destruction in Syria, such as nuclear or biological chemical weapons." The protective clothing was reportedly made in Russia. The South also believes that the North might have copied, mediated or reprocessed Russian products. "The (South Korean) government is testing whether the protective clothing in the seized containers guards against nuclear, biological and chemical weapons or are used in the development or use of nuclear and biochemical weapons, and analyzing the results." (*Dong-A Ilbo*, "Seized Containers Were Headed for Syria," October 7, 2009)

9/?/09 Diplomats told *Arms Control Today* in September that China stopped a shipment of small arms from North Korea bound for Syria. The source indicated that the shipment was sent back to North Korea rather than being confiscated. Another diplomatic source could not corroborate the account of the interdiction but said "the Chinese are serious" about implementing U.N. sanctions. (Peter Creil, "North Korea, U.S. Seen Preparing for Talks," *Arms Control Today*, October 2009p. 36)

9/21/09 PM Hatoyama clarified his diplomatic stance of putting importance on Japan's relationship with its Asian neighbors, especially China, during his meeting with Chinese President Hu Jintao in New York this evening. Hatoyama's powwows with foreign leaders kicked off with the meeting with Hu, in which his foreign policy approach began to take shape. The prime minister's invitation to China to cooperate in the formation of an "East Asian community"--Hatoyama's pet policy--gave the clearest indication of his diplomatic priorities. At the beginning of the meeting, a slightly tense-looking Hatoyama shook hands with Hu. Hatoyama displayed a pointedly humble attitude toward Hu, pointing out that "only five days have passed since the inauguration of the new Cabinet. It's still steaming hot!" But once the talks began, Hatoyama had a lively discussion with Hu on issues including relations between Japan and China. During the two leaders' conversation, Hatoyama reportedly "did not even glance" at documents prepared by the Foreign Ministry. The talks lasted about an hour, exceeding the

scheduled time of 40 minutes. "As the prime minister of Japan, I said what needs to be said," Hatoyama told reporters after the meeting. Hatoyama gave an upbeat account of the meeting. Hu, for his part, seemed very keen to strengthen relations with the new Japanese administration, making five proposals on ways to boost bilateral ties, including increasing mutual visits by top-level government officials. Hu's high hopes for the prospects of the Sino-Japanese relationship under the Hatoyama administration are understandable: On historical issues, to which Beijing pays great attention, Hatoyama said at Monday's meeting his administration would adhere to the line taken in the 1995 statement made by then Prime Minister Tomiichi Murayama, who apologized for Japan's invasion and colonial rule of China. Hatoyama also said Japan wants to maintain the "strategic and mutually beneficial relationship" with China--a formula the two countries have touted in recent years. Hatoyama then proposed the formation of an East Asian community and called for China's cooperation in achieving that goal. Based on the example of the European Union, Hatoyama's idea is to establish a framework within the region in which participating countries cooperate in various fields, including commerce, finance, energy and the environment. Hatoyama has criticized the diplomatic policies of Liberal Democratic Party administrations, saying that Tokyo is Washington's poodle. (Kobayashi Kohei, "Hatoyama Emphasizes Asia Diplomacy," *Yomiuri Shimbun*, September 21, 2009)

9/23/09

During their summit in New York City on the sidelines of the U.N. General Assembly, President Lee Myung-bak and Prime Minister Hatoyama Yukio agreed to enhance coordination in tackling North Korea's nuclear threat, the global economic crisis and climate change. "The new Democratic Party of Japan government has the courage to face up to history. We want to develop a constructive and future-oriented relationship," Hatoyama was quoted as saying. (hwang Jang-jin, "Leaders Pledge Closer Korea-Japan Ties," *Korea Herald*, September 25, 2009)

North Korea sees bilateral nuclear negotiations with the United States as a requirement and multilateral talks as an option, Chinese President Hu Jintao told South Korean President Lee Myung-bak at their summit, a Lee administration official told the *JoongAng Ilbo*. On the sidelines of a UN gathering, Lee and Hu had a summit today, during which the two leaders discussed the North's nuclear arms programs extensively, according to the Blue House. During their 40-minute discussion, Hu told Lee about the outcome of his envoy's recent visit to Pyongyang. During his meeting with China's State Councilor Dai Bingguo on September 18, North Korean leader Kim Jong-il said he is willing to discuss his country's nuclear arms program and the denuclearization of the Korean Peninsula in multilateral and bilateral talks. "**What Kim had meant was that the bilateral dialogue is the priority,**" Hu was quoted as saying by the South Korean government official, clarifying the remarks by the leader of the reclusive communist state. "Hu told Lee that the North may return to the six-nation talks, but the nuance, in fact, was that it is unlikely," the senior South Korean official said. "Hu will send a high-ranking special envoy to the North one more time to give another push." According to the South Korean official, President Lee explained his proposal of a "grand bargain" to Hu, adding that the North's true intention justifies his plan. "North Korea prefers bilateral talks [with the United States] because it wants security assurances," Lee was quoted as saying. "That's precisely why we need a grand bargain, in which South Korea,



China, Japan, Russia and the United States will swap security assurances and economic assistance for the North's nuclear dismantlement." (Ser Myo-ja, "Hu Says the North Sees Direct U.S. Talks As Necessary," *JoongAng Ilbo*, September 25, 2009)

9/27/09

North Korea has asked South Korea whether it is willing to extend a "good-will" measure in response to ongoing reunions of separated families, Seoul's Red Cross chief said today, in what appeared to be a question linked to humanitarian aid. Yoo Chong-ha said his North Korean counterpart, Jang Jae-on, presented an indirect request for South Korean rice and fertilizer aid in yesterday's banquet held alongside the reunion. (Yonhap, "N. Korea Wants South's 'Good-Will' Response to Family Reunions: Red Cross Chief," September 27, 2009) Yoo said the North Korean Red Cross chief didn't say what reward his country wants from the South. But the pool reports, without citing any source, said the North appeared to be seeking resumption of food and fertilizer aid to the North, noting the country made similar demands in the past. Since 2000, more than 16,200 Koreans have held temporary face-to-face reunions with relatives. About 3,740 others have seen relatives in video reunions. (Hyung-jin Kim, "Official: N. Korea Seeks Reward for Family Reunions," Associated Press, September 27, 2009)

North Korea's vice foreign affairs minister, Pak Kil Yon, told U.N. Secretary General Ban Ki Moon today that pending issues with Japan, including the abductions, should be discussed with Japan bilaterally, a U.N. diplomatic source said. The remark indicates that Pyongyang is willing to resume bilateral talks with Japan. (Kyodo, "N. Korea Says Abductions to Be Discussed with Japan: U.N. Source," September 30, 2009)

Japanese PM Hatoyama is scheduled to visit South Korea and meet President Lee Myung Bak on October 9, on the eve of the trilateral summit to be held in Beijing among China, Japan and South Korea, a South Korean government official said. By selecting South Korea as his first country to visit in Asia after taking office, Hatoyama apparently wants to show his stance of placing emphasis on Japan-South Korea relations. (Kyodo, "Hatoyama to visit S. Korea, meet President Lee on October 9," September 27, 2009)

9/28/09

Bosworth interview: Q. Obama stated that the US should talk to enemies and listen to allies as foreign policy tenets. How do you reconcile those priorities when it comes to North Korea? We are doing both. We have just been conducting intensive consultations with our partners. I'm referring to the other four members of the Six Party Talks; namely China, South Korea, Japan and Russia. We are solidly in agreement and share the same goal of denuclearizing North Korea. With regards to North Korea, we have consistently stated that we would be willing to engage in dialogue with North Korea. The goal of our bilateral talks is to persuade North Korea to return to the Six Party talks. Q. Is the recent move such a middle ground between the two priorities? Direct talks but only to revitalize the Six Party talks - you speak with the enemy and still please the allies? Well, we describe them as bilateral talks within the Six Party talks because the aim is both denuclearizing and getting North Korea back to the Six Party talks. In the end what is needed is a multilateral solution. There is not one country that can provide a solution alone to all that the country wants. Q. Can sanctions push North Korea back to the negotiation table? Not on their own. Sanctions have to be combined with possibilities

for North Korea in the form of incentives. Q. Can China push North Korea back to the negotiation table? The Chinese are an important player. We are working closely in contact with them. They have their direct bilateral contact with North Korea which is important. Yet answering your question, I think that China is the best source to evaluate how much influence they actually have on North Korea. Q. Can you get North Korea back to the negotiation table? [laughter] Definitely not by myself. The chances really are better in a multilateral setting. Q. If/when you go to North Korea what are the main messages you are going to convey? I will say that we are willing to restart the negotiation process. We should start from the 2005-statement in the Six Party talks, which clearly stated that denuclearization was the shared ambition - also by North Korea. And secondly, I will say that the Six Party talks format is the means to achieve that goal and that North Korea should return to them. Q. What if bilateral contacts from your side do not lead back to a resumption of the Six Party Talks - will you continue the bilateral track then which could annoy the allies? That is too soon to comment on. We will have to make a decision based on the results of our diplomatic effort. Q. Returning to talking with the enemy. Do you see it as likely that Obama during his Presidency will meet in person with Kim Jong-il? I have no idea. If such a meeting were to happen it would be an indication of significant progress with regards to North Korea and denuclearization. Q. Is nuclear North Korea a fact we have to live with - however discomforting? One of the purposes of engagement is to start a process of dialogue to change North Korea's perception of self-interest. North Korea is saying that they will not give up their nuclear weapons. That is the situation right now. Our task is to change that position through engagement and persuasion. That is diplomacy. Q. Are there other long-term solutions than negotiations? I don't think so. There is no military solution. Containment does not give long-term results. Negotiations are the way forward. (Stephen Bosworth, *The East Asia Forum*, September 28, 2009)

Q: You talked about asking the Burmese to stop whatever prohibited contacts they may have had with the North Koreans. Are you willing to let us know what your assessment is of the current state of their contacts, where they're making deals and what these sorts of deals might be? CAMPBELL: I don't think I can go very much beyond what Secretary Clinton said at the ASEAN Regional Forum a few months ago in July, late July. She underscored at that time that there clearly were some areas of interaction on the military side, and perhaps even beyond that, between North Korea and Burma that raised concerns not just for the United States, but also for countries in the immediate region. And one of our goals over the course of this period of strategic review have been discussions with Thailand, with Indonesia, with the Philippines, with China. And I think there is a greater desire on the part of these regional partners for the United States to have a direct dialogue with Burma about aspects of their relationship with North Korea that we're seeking to gain greater clarity into. Q: Ai Awaji from JiJi Press, Japan. After the consultations in New York, it seems that you have a strong support from your partners in the Six-Party Talks about having direct talks with North Koreans. So are you ready to go ahead with the plan and send Ambassador Bosworth to Pyongyang? Could you tell us about the next step you're taking? CAMPBELL: Not yet. I think one of the lessons that the United States has learned in this process is a certain degree of patience pays off. We have had, I think as you underscore, very strong support from our partners in the Six-Party framework. China, Japan, South Korea, and Russia have all very clearly

and strongly underscored the American approach as the right approach. And that is that we expect North Korea to abide by its commitments made as part of the Six-Party framework in both 2005 and 2007, and that if there were to be any bilateral interactions between the United States and North Korea, that they be designed towards moving back rapidly and very clearly to a Six-Party framework for formal interactions with our North Korean interlocutors. And I think we're in the process now of planning our next steps in terms of diplomacy in Northeast Asia. Deputy Secretary Steinberg is in Asia currently for further discussions with both China, South Korea, and Japan. And I think it's also the case that some very senior Chinese interlocutors will be visiting North Korea in the coming days. Our goal is to remain lockstep with our partners to ensure that we are working together so that there can be no picking off of one or other members of the Six-Party framework or that there will be any tension among us as we engage together with Pyongyang. Q: So are you waiting for specific actions or statement from North Koreans? CAMPBELL: Not at this juncture. We are involved - there are several elements of diplomacy. Only some of it involve the United States. As I indicated, both Chinese interlocutors, South Korean interlocutors have been engaging North Korea, making very clear what our expectations are in terms of next steps. (Assistant Secretary of State Kurt Campbell, U.S. Policy toward Burma, September 28, 2009)

Pak Kil Yon, vice-minister of Foreign Affairs of the DPRK who is leading the DPRK delegation, said at the plenary session of the 64th UN General Assembly on Sept. 28 that the DPRK government would fulfill all its responsibilities for defending peace and security in the Korean Peninsula and the rest of the world. ...**The U.S. has dealt with the Korean issue only from the view of its Asia strategy and does not want to see the whole Korean Peninsula denuclearized.** Consequently, this only increased the nuclear threat to the DPRK. The U.S. is behaving so arbitrarily that it asserts the DPRK should not be allowed to launch even a satellite for peaceful purposes, and the UN Security Council is being abused to serve its purpose. The conclusion the DPRK has drawn is that in order to preserve peace and stability in Northeast Asia at the present stage where the U.S. is not willing to make a switchover in its nuclear policy, the DPRK is left with no other option but to keep the nuclear equilibrium in the region by keeping dependable nukes. If the Korean Peninsula is to be denuclearized, it is necessary for the U.S. administration to discard its old view of confrontation and prove its stand to make a "switchover" in practice as it has stated on several occasions recently. The DPRK does not pursue a nuclear arms race. The mission of the DPRK's nuclear weapons is just to deter a war. The DPRK will have only nuclear deterrent strong enough to beat back a military attack on it and cope with such threat. As is the case with Europe and other parts of the world, on the Korean Peninsula, too, deterrent will be in direct proportion to threat. **While** the DPRK keeps nuclear weapons, it will act in a responsible manner as regards their management and use and nuclear non-proliferation and disarmament. ...**If the United States intends to have dialogue, keeping "sanctions" ahead of it, the DPRK, too, will have dialogue, keeping the bolstering-up of its nuclear deterrence ahead of it.** (KCNA, "DPRK's Stance on World Peace and Security Clarified," October 1, 2009)

The National Assembly approved Chung Un-chan as prime minister. The 61-year-old economics professor at Seoul National University has had all his dirty laundry out in the open during a National Assembly hearing on his appointment. He has a large amount of money in his bank account he can't explain and is accused of draft dodging, moonlighting for extra income and evading taxes. Chung is a flip-flopper. He was known to be a progressive, being critical of the current conservative government. In the lead-up to the 2007 presidential election, he himself had considered joining the then-ruling progressive party's primaries. In a not-so-grand transformation, he took up the current government's cause of scaling down Sejong City, the administrative capital, which was planned by the previous government and is under construction. About 10 opposition lawmakers picketed in protest inside the National Assembly hall and their colleagues boycotted the vote on Chung's appointment. (Oh Young-jin, "Why Is Sports Better Than Politics," *Korea Times*, September 29, 2009)

North Korea has officially made Kim Jong-il its "supreme leader" and his "military first" policy its guiding ideology, according to the text of the country's newly revised Constitution made available today. The Constitution also declared for the first time that North Korea "respects and protects" the "human rights" of its citizens, and expunged the term "communism" from its text. North Korea revised its Constitution in April when its rubber-stamp Parliament re-elected Kim chairman of the National Defense Commission amid uncertainty over his health. But the outside world was kept in the dark about the details of the amendment until today, when South Korea released what it called the text of the North Korean Constitution. The new Constitution defined one of several titles Kim holds, chairman of the National Defense Commission, as "supreme leader," the first time he has acquired such an official designation since the death of his father, Kim Il-sung, in 1994. "After he overcame his health crisis, Kim Jong-il revised the Constitution to show that he was in control and was the person the United States must deal with," said Kim Yong-hyun, a North Korea analyst at Dongguk University in Seoul. "By mentioning human rights and giving up communism, which sounded hollow to his people after the collapse of the Eastern bloc, he is also trying to show that he is a flexible leader sensitive to the changing world order." The constitutional revision does little to add to his already absolute grip on power, said Cheong Seong-chang, a senior analyst at Sejong Institute in South Korea. Kim is already head of the ruling Workers' Party and the People's Army. The new Constitution stuck to a socialist system, though it abandoned communism. But by bringing more portfolios under his National Defense Commission, "Kim Jong-il showed an intention to focus more on the military and foreign affairs" while leaving party matters to Kim Jong-un, the youngest of his three sons, who is reportedly being groomed as his successor, Cheong said. North Korea is now ruled by a "Kim Jong-il and Kim Jong-un coalition," he added.[?] (Choe Sang-hun, "New North Korean Constitution Bolsters Kim's Power," *New York Times*, September 28, 2009)

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**TAGS** OVIP (STEINBERG, JAMES B.), PREL, PGOV, PARM, MNUC, CH, KN, KS  
**SUBJECT: PRC: DEPUTY SECRETARY STEINBERG'S SEPTEMBER 29, 2009 CONVERSATION WITH STATE COUNCILOR DAI BINGGUO**  
Classified By: Political Minister Counselor Aubrey Carlson. Reasons 1 .4 (b/d).

### Summary

1. Chinese State Councillor Dai Bingguo discusses a visit to Pyongyang with American officials and the appearance and behaviour of Kim Jong-il. Dai admits that he did not "dare" to be candid with Kim. Dai noted that Kim had lost weight when compared to when he last saw him three years earlier, but that Kim appeared to be in reasonably good health and still had a "sharp mind." Kim told Dai that he had hoped to invite the Chinese official to "share some liquor and wine", but that because of scheduling problems, he would have to defer the offer. Key passage highlighted in yellow.

1. (SBU) **September 29, 2009**; 3:00 p.m.; Zhongnanhai Leadership Compound; Beijing

2. (SBU) Participants: U.S. The **Deputy Secretary, Amb. Jon M. Huntsman, Jr., Embassy Beijing Joseph Donovan, EAP Principal Deputy Assistant Secretary of State Rear Admiral Charles Leidig, Joint Chiefs of Staff Amb. Joseph DeTrani, Mission Manager for North Korea, DNI Derek Mitchell, Principal Deputy Assistant Secretary of Defense Amb. Sung Kim, Special Envoy for the Six-Party Talks Pamela Park**, Special Assistant to the Deputy Secretary Nancy Leou, Embassy Political Officer (notetaker) James Brown, Interpreter

**PRC State Councilor Dai Bingguo Vice Foreign Minister He Yafei Guan Youfei, Ministry of National Defense, Deputy Director, International Office Zheng Zeguang, Director General, MFA North American and Oceanian Affairs Department Zhang Kunsheng, Director General, MFA Protocol Department Yang Houlan, Ambassador for Korean Peninsula Issues Li Song, Deputy Director General, MFA Arms Control and Disarmament Department Cong Peiwu, Counselor, MFA North American and Oceanian Affairs Department**

3. (S) SUMMARY: In a September 29 meeting with State Councilor Dai Bingguo, the Deputy Secretary stressed the importance of persuading Pyongyang to return to the path of denuclearization. Dai said that the U.S.-China relationship was off to a good start under the new U.S. administration and urged the two countries to avoid "setbacks." During his recent trip to North Korea, Dai said, he met with DPRK leader Kim Jong-il for two and one half hours and Kim appeared to be in reasonably good health. Dai said he had urged Pyongyang to return to the Six-Party Talks. Dai's DPRK interlocutors had responded that they wanted bilateral engagement with the United States first and that they would consider next steps, including possible multilateral talks, depending on the outcome of U.S.-DPRK bilateral talks. Dai said that Premier Wen's October 4-6 visit to Pyongyang would be another opportunity for China and

North Korea to exchange views on the nuclear issue. On Iran, Dai said China and the United States had the same objectives but that China would work on Iran in its own way. China believed peaceful negotiation would achieve a more meaningful resolution than sanctions would, and, Dai urged, the United States should be more patient. Dai responded that patience could not be unlimited in light of Iran's continued enrichment program in violation of UNSC resolutions. Dai assured the Deputy Secretary that China and the United States would work together to prepare for President Obama's November visit to China. Dai supported the idea of a "concise and substantive" joint document to be issued in conjunction with the visit. End Summary.

#### Full Strategy to Address North Korea

4. (S) The Deputy Secretary met with State Councilor Dai Bingguo for an **eighty-minute** discussion on North Korea, Iran, and the U.S.-China relationship on September 29. **The Deputy Secretary stressed the importance of fashioning a full strategy to address the DPRK nuclear issue and having a unified position among Six-Party Talks partners and allies that would lead to an effective and diplomatic resolution of the problem.** He expressed support for Premier Wen Jiabao's October 4-6 trip to Pyongyang and said **both countries should work to persuade Pyongyang to return to the Six-Party Talks and to reaffirm the 2005 Joint Statement.** The United States was **prepared to have meaningful, substantive engagement** with a senior North Korean official and would use the any bilateral discussion to encourage Pyongyang to return to the Six-Party Talks. The Deputy Secretary expressed appreciation for China's efforts to implement UN Security Council Resolution 1874.

#### U.S.-China Relations on Positive Track

5. (S) State Councilor Dai said that President Obama and President Hu had had several opportunities to meet in recent months. After watching the two leaders interact in New York, Dai observed, the two presidents appeared to be "old friends." Dai thanked the U.S. Government for its "careful arrangements" for President Hu's visit to New York, as well as for National People's Congress Chairman Wu Bangguo's recent, successful visit to the United States. Dai expressed appreciation to President Obama, Secretary Clinton and Treasury Secretary Geithner for their personal contributions in making the Strategic and Economic Dialogue (S&ED) a great success. Dai was confident that the S&ED would have a positive global impact and confided that China had already begun thinking about the next round. **The U.S.-China relationship was off to a good start under the new U.S. administration despite some "unpleasant things."** Dai urged the two countries to keep up a good momentum in the bilateral relationship and to work hard to avoid "setbacks."

#### Dai's Visit to Pyongyang

6. (S) Regarding his recent visit to Pyongyang, Dai briefly recounted his two-hour meeting with DPRK leader Kim Jong-il. Dai said he was on relatively familiar terms with Kim, because he had met with Kim on several occasions in his previous role as Director of the Chinese Communist Party (CCP) Central Committee International Liaison

Department (CCID). **Dai admitted that in contrast with his discussion with Vice FM Kang (see below) his conversation with Kim was not as direct and candid and joked that he "did not dare" to be that candid with the DPRK leader.** Dai noted that Kim had lost weight when compared to when he last saw him three years earlier, but **that Kim appeared to be in reasonably good health and still had a "sharp mind."** Kim told Dai that he had hoped to invite the Chinese official to share some liquor and wine, but that because of scheduling problems, he would have to defer the offer to Dai's next visit to North Korea. *Kim Jong-il had a reputation among the Chinese for being "quite a good drinker," and, Dai said, he had asked Kim if he still drank alcohol. Kim said yes.* Dai said he also met briefly with Kim Yong-nam, President of the Supreme People's Assembly, who invited him to attend the performance of a famous Chinese opera, "The Dream of the Red Chamber."

7. (S) **Dai said that he had had frank and blunt discussions with DPRK First Vice Foreign Minister Kang Suk-ju that totaled over two and one half hours. Dai said he told Kang that denuclearization should be Pyongyang's first choice and that it was important for North Korea to return to Six-Party Talks.** He had stressed to Kang that the Six-Party Talks mechanism was useful and explained that the ultimate resolution of the Korean Peninsula issue could not be resolved without the participation of the Six Parties. According to Dai, **Kang responded that North Korea was still committed to the goal of denuclearization. Dai believed that the North Koreans had not categorically denied the Six-Party Talks and opined that under the right circumstances, it might be possible to revive the Six-Party Talks process.** Dai's North Korean interlocutors had emphasized the strong security threat it faced. The North Koreans told Dai that they wanted to have dialogue with the United States first and that they would consider next steps, including possible multilateral talks, depending on their conversation with the United States. North Korea held "great expectations for the United States," said Dai. DPRK officials had told Dai that North Korea viewed former President Clinton's visit to Pyongyang positively.

8. (S) Even though he had not had an opportunity to visit or observe any place other than Pyongyang, **Dai said, his impression of North Korea was that the domestic situation appeared stable and normal.** Dai opined that the DPRK appeared focused on two issues: improving its relationship with the United States and developing its economy.

#### U.S.-DPRK Bilateral Engagement

9. (S) **China was aware that the United States was considering possible re-engagement with North Korea and supported U.S.-DPRK bilateral discussions, said Dai. With bilateral dialogue, there was "no limit to how far you could go."** China **appreciated U.S. understanding and support for Premier Wen's upcoming visit to Pyongyang. President Hu had already informed President Obama of the trip.** Dai explained **that it would have been "impolite" for China to not reciprocate with a high-level visit to Pyongyang after DPRK Premier Kim Yong-il had visited Beijing in March** for the 60th anniversary celebration of Sino-DPRK ties. Wen's visit

would provide an opportunity for China and North Korea to exchange views on the nuclear issue, stated Dai.

10. (S) **The Deputy Secretary** thanked Dai for sharing his perceptions of the North Korea nuclear issue and **stressed that President Obama wanted to make clear to the North Korean people and to Kim Jong-il that the United States did not have any hostile intent toward North Korea.** The **United States was ready to move forward to normalize relations with North Korea if Pyongyang moved toward denuclearization.** The Deputy Secretary expressed hope that North Korea would agree to a meeting between Ambassador Bosworth and First VFM Kang Suk-ju to achieve that goal.

#### U.S. National Security Strategy

15. (S) Noting the Deputy's interest in "strategy" Dai asked whether the Obama administration had an overarching national security strategy. The Deputy Secretary said that the National Security Strategy, which would likely be issued before the end of the year, would articulate the administration's global strategy. He noted that the Secretary had recently identified major themes during her speech to the Council of Foreign Relations, including the importance of global cooperation in confronting today's challenges. In that context, the U.S.-China relationship would play a core role. Dai said he looked forward to reading the strategy paper.

#### President Obama Visit to China

16. (S) Dai said that President Obama had recently told President Hu that he looked forward to having a "magnificent" visit to China. Asked how China could help achieve this, the Deputy Secretary said the two countries should seek to demonstrate to our peoples and to the international community how the U.S.-China relationship would help address global challenges in areas such as public health, nonproliferation and the environment. The two countries should seek to demonstrate how U.S.-China ties were between the two peoples, not just between the governments, diplomats and leaders. Dai assured the Deputy Secretary that China would work with the U.S. to prepare a successful visit. It would be "great," said Dai, if the two sides could agree on language for the joint visit document that would be "concise, as well as substantive."

#### Global Nuclear Security Summit

17. (S) Asked about U.S.-sought outcomes and goals for the Nuclear Security Summit, the Deputy Secretary explained that President Obama had laid out the three pillars of his nuclear policy during his Prague speech. The Nuclear Security Summit was designed to focus on one of those pillars—the need to safeguard nuclear material against theft or diversion. The risk of proliferation had increased with the expansion of new nuclear power programs and with the existence of unsecured legacy nuclear materials in former Soviet states. We needed to have assurances that the peaceful development of nuclear power programs and nuclear research did not pose proliferation risks.



The Same Boat

18. (S) **The U.S.-China relationship was of crucial importance, said Dai. China would do its best to cooperate with the United States wherever possible. "If we expand the pie for the common interest, the pie will be larger and more delicious."** Together, the two sides should work collaboratively for the good of the world, especially since the two countries were "passengers in the same boat." Dai urged careful management of the relationship and respect for each other's core interests and concerns.

19. (U) The Deputy Secretary cleared this message. HUNTSMAN

WikiLeaks cable *Aftenposten*: S E C R E T SECTION 01 OF 05 BEIJING 002964

SUBJECT: DEPUTY SECRETARY STEINBERG'S SEPTEMBER 29, 2009 MEETING WITH PRC VICE FOREIGN MINISTER WU DAWEI

U.S. The Deputy Secretary, Amb. Jon M. Huntsman, Jr., Embassy Beijing; Joseph Donovan, EAP Principal Deputy Assistant Secretary of State; Rear Admiral Charles Leidig, Joint Chiefs of Staff ; Amb. Joseph DeTrani, Mission Manager for North Korea, DNI; Amb. Sung Kim, Special Envoy for the Six-Party Talks; Derek Mitchell, Principal Deputy Assistant Secretary of Defense; RDML Bradley Gerhrke, U.S. Defense Attache in Beijing; Pamela Park, Special Assistant to the Deputy Secretary; Ryan Hass, Embassy Political Officer (notetaker); James Brown, Interpreter

CHINA Vice Foreign Minister Wu Dawei; Yang Houlan, Ambassador for Korean Peninsula Issues; Cong Peiwu, Counselor, MFA Department of North American and Oceanian Affairs

3. (S) SUMMARY: In a September 29 meeting with Vice Foreign Minister Wu Dawei, Deputy Secretary Steinberg stressed that the U.S. remains committed to the Six-Party process and to the verifiable denuclearization of North Korea. The Deputy Secretary emphasized the importance of continued, close contact with the PRC on North Korea and stressed that the U.S. would not compromise its relations with China or other Six-Party Talks partners in pursuit of bilateral contact with the DPRK. **The Deputy Secretary noted that the U.S. was not willing make concessions to entice North Korea to abide by its previous commitments.** Ambassador DeTrani assessed that the DPRK was ready to return to multilateral talks on its nuclear program, but that it had not made a strategic decision to abandon nuclear weapons. VFM Wu encouraged the U.S. to engage in direct contact with the DPRK, which he felt could spur the DPRK to return to the Six-Party Talks. VFM Wu speculated that DPRK leader Kim Jong-Il's deteriorating health and his desire to cement a legacy provided an opportunity for the resolution of the nuclear issue. In order to protect the gains that had been made and also to advance the Six-Party Talks, VFM Wu asserted, all parties had to remain committed to the September 2005 joint statement on denuclearization. VFM Wu reiterated China's commitment to implementation of UNSC Resolution 1874 and offered a read-out following Premier Wen Jiabao's October 4-6 visit to Pyongyang. End Summary.

## Positive U.S.-China Relations

4. (S) Deputy Secretary Steinberg met with Chinese Vice Foreign Minister Wu Dawei in Beijing on September 29 for a fifty-minute discussion on North Korea. VFM Wu noted that the Deputy Secretary would have an opportunity to meet with a number of Chinese leaders during his visit, which spoke of the importance that China attached to its relationship with the U.S., as well as the respect that Chinese leaders held for the Deputy Secretary. VFM Wu commented that the Deputy Secretary's visit occurred on the heels of President Obama and President Hu's September 22 meeting in New York. The two Presidents had reached consensus on key issues in the bilateral relationship, and now it was each side's responsibility to work together to implement that consensus. VFM Wu described himself as an outsider to U.S.-China relations, and even as an outsider he had met the Deputy Secretary three times over the past year, a fact that VFM Wu said spoke volumes about the positive development of U.S.-China relations.

## U.S. IS THE MISSING ELEMENT

5. (S) VFM Wu raised "The Red Cliff," a John Woo-directed movie about the Battle of Red Cliffs 1,801 years ago along the banks of the Yangtze River, as a metaphor for the current diplomatic situation with North Korea. At that time in China, three states were in conflict. Two overmatched southern states had joined forces to fight the numerically-superior northern state. The two southern states planned to use fire as a weapon to defeat the northern state, but in order to do so, the southern states required an easterly wind. The battle ensued in November, when the prevailing winds normally came from the west. During the battle, an easterly wind arrived, which enabled the southern forces to use fire as a weapon to defeat the superior northern forces. This story was an aphorism, VFM Wu suggested. In the story, the southern forces had all of the elements in place except for the crucial one -- the east wind ("dong feng"). The same was true with the Six-Party Talks. There have been positive interactions among the parties to the Talks, and the U.S. and China saw eye-to-eye on issues. **There was only one missing element: only the U.S. could bring the east wind**, VFM Wu declared.

## PRC RATIONALE BEHIND HIGH-LEVEL VISITS TO DPRK

6. (S) VFM Wu explained that he had traveled to Pyongyang in July, State Councilor Dai had visited in August as President Hu's Special Envoy, and Premier Wen Jiabao would pay a visit October 4-6. The purpose of these visits was to persuade North Korea to return to the Six-Party Talks. North Korea's "supreme leader" called all of the shots. China sometimes had sharp debates with North Korea at the working-level, but when big matters were raised to the "supreme leader" for a decision, they were often easier to resolve. That was why China had sent him and State Councilor Dai and would send Premier Wen to Pyongyang in rapid succession, according to VFM Wu.

7. (S) **VFM Wu explained that his visits to Pyongyang had left him with a clear impression that bilateral contact with the U.S. was the issue most on the minds of North Korean leaders.** It was possible to revive the Six-Party Talks, but only if the U.S. would engage North Korea. Wu observed that the U.S. was at times capable of taking

diplomatic initiative, and at other times was cautious in its diplomatic approach. In this instance, the U.S. had been overly cautious. China hoped the U.S. would initiate contact with North Korea, which VFM Wu stressed was crucial to re-convening the Six-Party Talks and to the larger goal of denuclearization of the Korean Peninsula.

#### CHINESE ASSESSMENT OF KIM JONG-IL

8. (S) VFM Wu allowed that DPRK leader Kim Jong-Il might have some realistic ideas, and stated that Kim Jong-Il wanted to engage the U.S. soon. Kim had been impressed by President Clinton's visit, and had come away from his meeting with President Clinton with an understanding that there were areas for discussion with the United States. VFM Wu stressed his personal feeling that if the U.S. made substantive contact with North Korea, then positive progress on the nuclear issue was within reach. The U.S. and China should not put off resolution of North Korea's nuclear issue indefinitely, VFM Wu stressed.

9. (S) VFM Wu stated that he had read a statement after President Clinton's visit that suggested that Kim Jong-Il was in good health, and speculated that the medical experts that accompanied President Clinton to Pyongyang might have arrived at a different conclusion. **VFM Wu suggested that Kim Jong-Il would like to resolve outstanding issues in the near future because his health might not permit him to put off decisions for too long. This dynamic created a favorable moment for resolving the nuclear issue; it was important for the U.S. and China to seize this moment and bring North Korea back to the path of consultations and negotiations, VFM Wu stressed.**

#### U.S.-PRC SHARED ASSESSMENT ON NORTH KOREA

10. (S) The Deputy Secretary expressed appreciation for VFM Wu's insights on North Korea and for China's decision to send senior representatives to North Korea to press for the early resumption of the Six-Party Talks. The U.S. and China shared common goals and a common assessment of the path forward on North Korea. Both countries had the confidence to send parallel messages to North Korea, and when we were able to engage North Korea at high levels, it reinforced shared U.S.-Chinese objectives. Regarding U.S.-DPRK contacts, the Deputy Secretary suggested, China already understood from Ambassador Bosworth's September 3 visit and our ongoing bilateral contacts that the U.S. was prepared to have direct contact with North Korea as a way to bring North Korea back to the Six-Party Talks.

#### LEARNING THE RIGHT HISTORICAL LESSONS

11. (S) The Deputy Secretary noted that some people carried history forward through their own experiences. It was important that the U.S. and China drew from their shared history of dealing with North Korea to determine the best way forward. **The Deputy Secretary noted that the chief obstacle to progress at the end of the Bush Administration had not been a lack of U.S.-DPRK contact. In fact, the frequency of direct contact became a source of criticism, with some observers suggesting that**

**the U.S. had too much direct contact with North Korea and not enough coordination with Six-Party partners.**

12. (S) **The Deputy Secretary observed that North Korea had established a pattern of provocation followed by conciliation to ameliorate pressure from the international community resulting from its actions. It was imperative to break this pattern, which was counter-productive to shared U.S.-Chinese goals on North Korea.**

#### KEY ELEMENTS TO CURRENT APPROACH

13. (S) The Deputy Secretary asked VFM Wu what missing element, or "easterly wind," would lead to a change in North Korea's behavior and produce a different outcome than during the 1980s and 1990s. The Deputy Secretary offered three elements that could affect North Korea's decision-making.

14. (S) The first element was the unified position on North Korea among the Six-Party Talks partners. **The U.S. wanted to ensure that if it proceeded to bilateral contact with North Korea, such contact would not undermine in any way the strong unity of approach among Six-Party Talks partners.**

15. (S) **The second key element was the strong unity of action among Six-Party Talks partners, particularly in implementation of UN Security Council Resolution 1874.** It would be important for Six-Party Talks participants to continue full implementation of this resolution, the Deputy Secretary stressed.

16. (S) The third key element would be to articulate clearly to North Korea precisely what steps the Six-Party Talks partners expected the DPRK to take to irreversibly denuclearize, while also making clear exactly what benefits the DPRK would derive from such actions. **The Deputy Secretary acknowledged that significant work had already been undertaken in this regard, but much more work was needed to establish a specific, common understanding among Six-Party Talks participants.**

17. (S) **The Deputy Secretary acknowledged that although he was not certain whether these three elements would be enough to convince North Korea at a strategic level to decide it was better off without nuclear weapons, the U.S. was willing to test the proposition.** The U.S. was prepared to have bilateral contact with North Korea to determine whether a different outcome was possible now that the Six-Party Talks participants held a clear, unified position.

#### U.S. CAUTION ON BILATERAL U.S.-DPRK CONTACTS

18. (S) The U.S. "caution" in re-engaging with North Korea stemmed from its interest in ensuring that **any contact would be done on the clear basis that bilateral contact was not about managing North Korea's nuclear program, but rather about taking concrete measures to dismantle it,** the Deputy Secretary stated. North Korea had recently sent several positive signals, including through VFM Wu and State Councilor

Dai's meetings, North Korean public comments that walked back its previous rejection of the Six-Party Talks, hints that there could be a new formation for international talks on denuclearization, and statements that North Korea understood the goal was denuclearization. Premier Wen Jiabao's October visit would present another opportunity to convey to North Korea that the Six-Party Talks partners shared a common position.

19. (S) On the current status of U.S.-DPRK bilateral talks, the Deputy Secretary explained that there had been exchanges in recent days through the New York channel on modalities for bilateral contacts. The U.S. wanted to ensure that if direct engagement occurred, the DPRK would participate at a high level. This would be the only way to determine whether North Korea was serious about engagement. While the U.S. was prepared to have bilateral contact with North Korea, it was not willing to engage in extended bilateral negotiations in which an agreement would be reached outside of the Six-Party Talks framework. The only way to ensure an effective solution was to guarantee that all of the Six-Party Talks partners' interests were brought into play, the Deputy Secretary said, while also noting that Six-Party Talks partners' interests were similar, but not identical.

#### KEY QUESTION: KIM JONG-IL'S CALCULUS

20. (S) The Deputy Secretary suggested that the key questions concerned Kim Jong-Il's motivations, specifically how he viewed his interests, and how much emphasis he placed on reaching a solution to the nuclear issue and normalization of relations with the U.S. as part of his legacy. The Deputy Secretary emphasized the need for continued, close dialogue with China.

#### DPRK NOT CLEARLY COMMITTED TO DENUCLEARIZATION

21. (S) Ambassador DeTrani said that the U.S. assessed, largely as a result of VFM Wu and State Councilor Dai's seemingly successful efforts, that the DPRK was ready to return to multilateral talks on its nuclear program. **The U.S. further assessed that North Korea at a strategic level had not committed to the goal of complete, verifiable, irreversible denuclearization. North Korea wanted to be accepted as a nuclear state with ICBM capabilities. The DPRK's September 3 letter to the UN was indicative of this point. In the letter, the DPRK acknowledged that it had reprocessed spent fuel rods and extracted plutonium that was being weaponized, and after six years of denial, admitted to possessing a uranium enrichment program.** A key question would be whether North Korea would negotiate while UNSC Resolution 1874 sanctions were still in place, Ambassador DeTrani noted.

22. (S) Ambassador DeTrani observed that North Korea had established a pattern of walking away from negotiations as a sign of displeasure, such as its 13-month hiatus from the Six-Party Talks after the U.S. had suggested it possessed an HEU program and its similarly long absence in protest of reports of money laundering through a Macau bank (BDA). In both of these instances, the Six-Party Talks partners had conceded something, after which the DPRK returned to the Talks. **The U.S. intelligence**

**community assessed that if the Six-Party Talks partners did not concede something, the DPRK would be reluctant to move the Six-Party process forward.**

Ambassador DeTrani emphasized the shared U.S.-China objective in achieving progress in the Six-Party Talks building upon the September 2005 joint statement that VFM Wu was so instrumental in crafting.

#### CHINA COMMITTED TO 6-PARTY TALKS, DENUCLEARIZATION

23. (S) The Six-Party Talks, on the whole, "have been positive," VFM Wu declared. VFM Wu recounted that he had told North Korean counterparts on numerous occasions that the Six-Party Talks enabled the U.S. and North Korea to feel comfortable with bilateral engagement. China supported U.S.-DPRK bilateral engagement, and such contact would not affect U.S.-China relations, VFM assured, allowing that other Six-Party Talks partners might not share the same view.

24. (S) VFM Wu affirmed that China was committed to getting North Korea back to the negotiating table. In order to protect the gains that had been made and to advance the Six-Party Talks, all parties had to remain committed to the September 2005 joint statement on North Korea's denuclearization. VFM Wu allowed that in light of the current situation, it might be necessary to refine the statement, but nonetheless, the September 2005 statement had to serve as the starting point.

25. (S) On North Korean denuclearization, VFM Wu agreed with the U.S. assessment that it would be difficult to obtain North Korea's commitment. The U.S. should inform North Korea that improved U.S.-DPRK relations depended upon verifiable steps toward denuclearization. **VFM Wu agreed with the U.S. assessment that North Korea had not made a strategic decision to forego its nuclear weapons program. North Korea was looking in particular at its relations with the U.S. and was not moved by Chinese representations of what steps the U.S. would be willing to take.** North Korea often insisted that it was an independent country and did not like having China as a go-between with the U.S., according to VFM Wu.

#### CHINA URGES BILATERAL, MULTILATERAL COMBINATION

26. (S) VFM Wu proposed that Six-Party Talks partners consider using bilateral mechanisms within the Six-Party Talks framework to improve relations with North Korea. Through a combination of bilateral and multilateral channels, it might be possible to persuade North Korea to abandon its nuclear program. Because the opportunity to persuade North Korea still existed, China would continue making vigorous efforts in this pursuit. VFM Wu stressed that the Chinese government was serious about UNSC Resolution 1874 implementation, adding that there had not been any change in China's policy.

27. (S) The Deputy Secretary agreed with VFM Wu's basic conclusions, expressed appreciation for VFM Wu's leadership on the North Korea issue, and reiterated the U.S. interest in continued close contact with China. VFM Wu offered to provide a briefing for the U.S. immediately following Premier Wen Jiabao's October 4-6 visit to Pyongyang.

9/30/09

Deputy Secretary of State James Steinberg said the U.S. is open to dialogue with North Korea if it helps get international nuclear disarmament talks started again, and urged the regime to take advantage of the opportunity. North Korea has been insisting on one-on-one talks with the U.S. after quitting broader six-nation talks on its nuclear program in April. Washington is now considering direct talks to push disarmament discussions forward. "There's a tremendous opportunity now for them to take a constructive measure," Steinberg told reporters in Seoul after meeting with South Korean officials. "They've certainly given some indication that they understand the value of re-engagement, and we would like to see them take advantage of that." KCNA stressed that the nuclear dispute is strictly a matter between the North and the U.S., rejecting as "rubbish" and "ridiculous" South Korean President Lee Myung-bak's recent proposal aimed at resolving the dispute. (Associated Press, "Diplomat Says U.S. Open to Dialogue with N. Korea," September 30, 2009) Steinberg denied there is conflict with South Korea over a package deal to persuade North Korea to give up its nuclear program. Steinberg said President Lee Myung-Bak's proposal of a "grand bargain" is a matter that has been discussed between South Korea and the U.S. "What we all agree is that we've lived through the history before of partial measures and reversible measures," Steinberg said. "What we need is a comprehensive and definitive resolution of the nuclear question." (*Chosun Ilbo*, "U.S. Denies Rift with Seoul over N. Korea Deal," October 1, 2009)

South Korea will have a greater say in international efforts to denuclearize North Korea and resolve global problems, President Lee Myung-bak said during a news conference on the result of G20 leaders' meeting in Pittsburg last week. Korea will host the summit of major industrialized and developing countries in November next year. "It is time for us to lay out our vision and solution and assume a leading role regarding not only inter-Korean but also international issues," Lee said, citing his "grand bargain" proposal over Pyongyang's nuclear programs. He noted that Seoul has been sidelined when it comes to North Korea's nuclear programs. "Though we are the party directly concerned, there were not our voices. We have only followed the United States and China," he said. "If we have a good option, we need to try to persuade members of the six-party talks." He brushed aside media speculation about discrepancies between Seoul and Washington, which was prompted by some senior U.S. officials' remarks. He said the proposal would test North Korea's ultimate intention. "If the North intends to give up its nuclear programs, it could not reject the proposal," he said. The G20 summit next year will be a crucial opportunity for the nation "to emerge from an Asian peripheral country and stand in the center of the world," he said. "We are facing a historic turning point. By hosting the G20 summit successfully, we should take a chance to contribute to the world's growth and elevate the Republic of Korea's international status." ((Hwang Jang-jin, "Lee Looks to Affirmative Diplomacy," *Korea Herald*, October 1, 2009)

DPRK FoMin spokesman: "Heads of state of the UNSC member nations met in New York on September 24 to discuss the issues of nuclear nonproliferation and nuclear disarmament and adopted UNSC Resolution 1887 on building 'a world without nuclear weapons.' What matters is that this resolution, too, is a double-standards document as it failed to fully reflect the desire and will of the world community as a whole. As a matter



of fact, the summit should have called into question and dealt with the U.S. nuclear threat and the reality in which peace and stability are being seriously disturbed in different regions due to the above-said threat. **It is a prerequisite to global denuclearization for the country with the biggest stockpile of nukes to reduce and eliminate them. The recent resolution deals with the unilateral demands of the nuclear powers to be met by other countries while disregarding the important realistic issues.** It is, therefore, nothing but a sinister scheme of the nuclear powers to maintain the sphere of their domination through their nuclear monopoly under the signboard of global denuclearization. **The DPRK was compelled to have access to nuclear deterrent in order to protect the supreme interests of the country and the regional peace and security in face of the high-handed and arbitrary practices to violate the right to peaceful development of the Korean people who have been exposed to the U.S. nuclear threat for more than half a century.** It has already totally rejected the resolutions the UNSC unreasonably cooked up over its legitimate measures for self-defense. **The DPRK's dismantlement of nuclear weapons is unthinkable even in a dream as long as there exist the sources that compelled it to have access to nukes.** Moreover, **it is unimaginable to expect the DPRK return to the NPT as a non-nuclear state as it failed to play any role in preventing the U.S. forward-deployment of nuclear weapons in south Korea and its growing nuclear threat to the DPRK and has been abused for serving the purpose of the U.S. policy to isolate and stifle the DPRK.** We totally reject UNSC Resolution 1887, too, as it is peppered with the hegemonic ambitions of nuclear powers and will not be bound to it at all. **President Kim Il Sung advanced an idea of denuclearizing the Korean Peninsula and building a world free from nuclear weapons long ago.** And it is the desire of the Korean people to live in a peaceful world without nuclear weapons. **We will make efforts to denuclearize the peninsula in the context of the building of a world free from nuclear weapons and the U.S nuclear policy toward the DPRK in the future, too, as in the past.**" (KCNA, "DPRK's Will to Strive for Building Nuclear-free World Reiterated," September 30, 2009)

KCNA: "The south Korean chief executive spelt out 'Grand Bargain' over the nuclear issue during his recent visit to the U.S. ...The 'Grand Bargain' is just a replica of the watchwords of 'no nukes, opening and 3,000 dollars' that proved bankrupt in face of criticism of the public at home and abroad. ... The nuclear issue on the Korean Peninsula should be settled between the DPRK and the U.S. from every aspect as it is a product of the latter's hostile policy toward the former. ... The south Korean chief executive and his "advisers' team" had better have a midday nap under the nuclear umbrella provided by the U.S. rather than running helter-skelter, unable to sound out its master, much less knowing how the world moves. ... It is a pipedream to expect the DPRK will dismantle its nuclear program without the U.S. drop of its hostile policy toward the DPRK. **The nuclear issue can find a genuine solution only when the whole Korean Peninsula and the rest of the world are denuclearized.**" (KCNA, "KCNA Dismisses S. Korean Chief Executive's 'Proposal' as Rubbish," September 30, 2009)

10/1/09

A "senior ROK official" on background on President Lee's Grand Bargain: "As July as a turning point, North Korea started to show signs of de-escalating tensions and began to



make a series of conciliatory gestures toward the US and ROK, although we cannot be sure whether these acts are the same old tactic of 'negotiating after provocation' or the effect of international sanctions as well as ROK's principled policy in assisting North Korea. But at the same time, North Korea announced in early September that it would continue its nuclear activities such as reprocessing, weaponization of plutonium and enrichment of uranium through a letter to the Chair of the UN Security Council. Pyongyang stressed that it would bolster its nuclear deterrence while rejecting the Six-Party Talks. It seems that North Korea is using a dual tactic of pursuing both conciliatory gestures and nuclear development in parallel. By utilizing the 'peace offensive,' North Korea may attempt to soften the sanctions regime and expand opinions in South Korea supportive of assisting North Korea. On the other hand, Pyongyang appears to press the US for bilateral contact through its nuclear development and gain a more favorable position in future negotiations. North Korea may start using the UEP as its main bargaining chip and demand nuclear disarmament talks as a de facto nuclear weapons state. (Two track approach) ROK's assessment is that North Korea's conciliatory gestures are only limited to non-nuclear and marginal issues. Since North Korea is not showing any sincerity on nuclear abandonment, ROK will maintain the current policy of continuously implementing Security Council sanctions and trying to Bring North Korea back to the Six-Party Talks. If we ease sanctions too soon, Pyongyang will continue manipulate us in future negotiations and I am afraid that we could repeat the past pattern of rewarding North Korea's positions. By applying sustained pressure, we do not intend to push North Korea to a corner, but to take an exit door that leads to the Six-Party Talks. We are pursuing a "Two-Track Approach" of seeking both sanctions and dialogue. (5 Party Cooperation and 6 Party Talks) In order to make progress in denuclearizing North Korea, it is crucial that the five countries of Six-Party Talks strengthen their cooperation based on the sense of coalition accumulated in the process of formulating Security Council sanctions regime. It is true that North Korea's bad behaviors have created a setback in our denuclearization efforts, but ironically, it has contributed to our overall diplomatic force by bringing China and Russia closer to the position of the ROK, US, and Japan. Regarding recent controversy over potential US-North Korea bilateral contact, it is a common understanding among the Five that such meeting will only be pursued in the context of the Six-Party Talks to facilitate the Six-party process. The US-North Korea bilateral meeting is not a substitute for the Six-party Talks. If and when such meeting takes place, there will be close ROK-US consultations and Five Party coordination before and after the bilateral contacts. North Korea will probably advertise that the US-ROK contact is the end of the Six-Party Talks and the beginning of US-North Korea bilateral negotiations. Therefore, it is necessary to clarify the nature of the upcoming contact and to carefully decide the time and place of the dialogue. It was reported that when the Chinese State Councillor Dai Bingguo recently visited North Korea, Kim Jong-il told him that North Korea is open to multilateral and bilateral talks. Although Pyongyang's true intention remains questionable, it would be unacceptable if the motive behind announcement is to the US-North Korea bilateral meeting and marginalize the Six-Party Talks only as a rubber-stamp. On the contrary, substantive issues have to be negotiated within the Six-Party Talks. This position is strongly supported by the US. The perceives the North Korean nuclear issue as a regional security issue and a global non-proliferation challenge, and does not want to be the only party undertaking all the burden. ROK is a direct

stakeholder, and Japan, China and Russia are essential partners in this matter. This is why no country among the Five can be excluded. In preparation of the sincere nuclear talks, the Five Parties are currently holding consultations on negotiation strategies. President Lee Myung-bak mentioned at the CFR speech in New York last week the so-called 'Grand Bargain,' saying that 'North Korea's abandonment of core nuclear programs will be met by solid security assurance and international assistance.' Given that North Korea has already reversed disablement and even conducted a second nuclear test and thus denied what it promised on the February 13th and October 3rd Agreement of 2007, it is inconceivable to repeat the incremental and partial agreements with North Korea. This time we need to encompass in a single agreement all steps related to North Korea's denuclearization and the Five Parties' corresponding measures including security assurances, normalization of relations, and economic assistance. The Grand Bargain Deal would basically contain the contents of the Joint Statement of September 19th, 2007, but, in addition, should articulate end-point of complete denuclearization steps should be vigorously pursued. The Five Parties will continue to consult on the details of the blue print of the package in preparation for future negotiations with North Korea. Fundamentally the North Korean nuclear issue is a unique North Korea problem, linked to the North Korean system. The ROK government basically supports engagement in the form of genuine dialogue. However, we are more focused on making progress in denuclearization. There are no longer rewards for dialogue per se. Based on the general principle of reciprocity, we are pursuing a result-oriented North Korea policy. Pyongyang is not happy with such changes, and has been expressing its anger and frustration with all kinds of slanders, threat and actual physical measures. The recent softness could be a desperate plea to South Korea, requesting assistance which has tightened for the last year and a half. Pyongyang might need revitalization of the Kaesong Industrial Complex more than ROK, cash-flow through the resumption of the Kumgang Mountain tourism and assistance in food and fertilizers. On the other hand, Pyongyang is looking for another chance to drive a wedge among South Koreans. Pyongyang tends to think that South Koreans, though strong in economy, are pretty vulnerable and easy to manipulate in terms of ideology and nationalism. President Lee Myung-bak made clear that if North Korea demonstrates its determination to give up nuclear weapons, the ROK government is willing to carry out a comprehensive program for promoting inter-Korean economic cooperation. North Korea is trying to discuss the nuclear issue with the US, while contacting ROK only for issues regarding economic cooperation. But such attitude should be changed. In order to improve inter-Korean relations on our terms, ROK will be firm in our principles while flexible in approaches." (*The Nelson Report*, October 1, 2009)

10/2/09

The Obama administration's push to settle a tense nuclear standoff with North Korea is being spearheaded not by soldiers on a battlefield or big-name diplomats but by government officials knocking on the doors of banks throughout Asia. American officials are traveling around Asia, targeting private banks that might have North Korean ties. They hope to block money that could be used for missiles and nuclear bombs and, ultimately, to drive North Korea back to stalled disarmament talks. The strategy is simple, according to interviews with past and current U.S. officials responsible for implementing it. And, they say, it works, which has not been the case with tortuous nuclear negotiations with the North. The officials tell bankers that North Korea uses its

accounts to hide counterfeiting of U.S. currency, to launder money, to smuggle cigarettes and drugs. The banks could face potentially dire consequences if they were seen as helping illicit activities. U.S. officials say bankers find their visits difficult to ignore. "It's having an effect. We think that the word is out," said Philip Goldberg, Obama's point man on implementing new United Nations sanctions on North Korea. The effort encourages banks to "give heightened scrutiny to any transaction that may be coming through with a North Korean label on it." Juan Zarate, a senior counterterrorism adviser to Bush who helped develop the strategy, said in an interview that the U.S. effort to "harness the financial furies" is "making it very uncomfortable for the North Koreans to do business at all beyond their borders." Some, however, question whether the strategy is counterproductive and could cause North Korea to lash out or become more entrenched. "Financial sanctions, used in the service of regime change, is a very, very dangerous weapon, which could lead them to military retaliation," said Selig Harrison, a North Korea specialist at the Center for International Policy. Stuart Levey, undersecretary of the Treasury for financial intelligence and an architect of the Bush and Obama strategy, said in an interview that he and his colleagues provide banks with important information about North Korea that they would not be able to obtain without U.S. government cooperation. Banks, Levey said, "spend a lot of money in trying to protect themselves from illicit activity. Governments should try to help them." Banks may ignore that "help" at their own peril. The Obama administration can point to a U.N. resolution that decrees financial sanctions against designated entities that may be involved in missile or nuclear weapons financing or proliferation. Victor Cha, Bush's former senior Asia adviser, said the resolution makes "a huge difference" in getting banks' attention. (Foster Klug, "U.S. Targets Banks in Effort to Restart Talks," Associated Press, October 2, 2009)

Congressional Research Service: "Since 1995, the United States has provided North Korea with over \$1.2 billion in assistance, about 60% of which has paid for food aid and about 40% for energy assistance. As of early September 2009, the United States is not providing any aid to North Korea, except for a small medical assistance program. ...U.S. aid fell significantly in the mid-2000s, bottoming out at zero in 2006. The Bush Administration resumed energy aid in the fall of 2007, after progress was made in the Six-Party Talks over North Korea's nuclear program. ...The shipments of fuel oil or equivalent (i.e., steel products to renovate aging power plants) assistance were to happen on an "action for action" basis, as North Korea made progress on the second phase steps (nuclear disablement at Yongbyon and declaration of nuclear facilities and activities). An October 2007 joint statement on "Second-Phase Actions" confirmed these commitments.<sup>23</sup> The shipments of 1million tons (MT) of heavy fuel oil or equivalent were to be divided equally by the five parties- i.e.,200,000 MT each. **As of March 2009, the DPRK had received 500,000 MT of heavy fuel oil and equipment and 190,000 MT of fuel equivalent assistance.** South Korea provided the initial shipment of 50,000 metric tons of heavy fuel oil in July 2007 under Phase One of the February 2007 Six-Party agreement. The United States contributed its promised share of 200,000 MT of heavy fuel oil. Russia shipped its last shipment in January 2009. China and South Korea each contributed 50,000 MT of heavy fuel oil and 95,000 MT of heavy fuel oil equivalent. The remainder of China's and South Korea's contribution was to be fuel oil equivalent. ...Heavy fuel oil provided by the United States was paid for through the FY2008

Supplemental Appropriations Act (P.L. 110-252), passed in May 2008. The FY2008 supplemental allocated \$53 million for energy assistance to North Korea in support of the Six-Party Talks, "after the Secretary of State determines and reports to the Committees on Appropriations that North Korea is continuing to fulfill its commitments under such agreements," and "notwithstanding" any other provision of law. The Supplemental also gave "notwithstanding" authority for an additional \$15 million of energy-related assistance for North Korea, under the State Department's Economic Support Fund. ...In 2007 and 2008, the United States also provided technical assistance to North Korea to help in the nuclear disablement process. In 2008, Congress took legislative steps to legally enable the President to give expanded assistance for this purpose. In its FY2009 Supplemental Appropriations budget request, the Obama Administration asked for over \$150 million for North Korea-related energy and denuclearization assistance. ...The North Korean Human Rights Act (P.L. 108-333) included non-binding language calling for "significant increases" above current levels of U.S. support for humanitarian assistance to be conditioned upon "substantial improvements" in transparency, monitoring, and access. **The reauthorized act (P.L. 110-346) does not include this language, and drops the extensive discussion of humanitarian assistance that was included in P.L. 108-333.** Both the original and the reauthorized act require annual reports to Congress on U.S. humanitarian assistance to North Korea." Mark E. Manyin and Mary Beth Nikitin, *Foreign Assistance to North Korea*, Congressional Research Service, 10/1/09

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Deputy SecState James Steinberg interview, "The purpose of (any) bilateral contacts is for the North Koreans to hear directly from us our perspective on these things, not for the purpose of having a bilateral negotiation." Q: "When will the United States hold bilateral talks with North Korea? A. We've made clear that we're willing to engage in bilateral talks to facilitate the return of North Korea to the six-party discussions and resume the denuclearization process. If we are going to have these direct engagements, we want to make sure that it will be productive and substantive, and we are now talking with our partners in the six parties about what we think would make that effective and what the substance of that engagement should be. ... Q: What are the criteria and/or conditions for starting bilateral talks with North Korea? A: The substantive discussions that we need to have take place on denuclearization, we believe, should occur within the six-party framework. The purpose of these bilateral contacts is for the North Koreans to hear directly from us our perspective on these things, not for the purpose of having a bilateral negotiation." (*Asahi Shimbun*, "N. Korean Nuke Issue Limited to 6-Party Agenda," October 3, 2009)

We remained deadlocked over a particular clause in the document. Our counterparts across the table demanded language that we thought to be unacceptable. Yet, in an effort to move the already faltering negotiations forward, we agreed to send the language back to Washington overnight for approval. This was the fourth round of the Six-Party Talks in September 2005. The talks had been suspended previously for well over a year, and the Bush administration, in its second term, was reengaging in a way that the first term had not. At issue was the Democratic People's Republic of Korea's (DPRK) demand that we put into writing a statement of U.S. non-hostile intent. The clause in question stipulated that the United States "has no intention to attack or invade

the DPRK with nuclear or conventional weapons." To my surprise, the language came back the next morning having been approved in Washington. When we came back to the negotiation session at the Diaoyutai State Guest House with the accepted language, the Russians asked the Chinese chair for a recess from the deputy head of delegations drafting session. During the recess, they held a bilateral meeting with the North Koreans. In this meeting, they told the North, according to my Russian counterpart on their delegation, "The Americans are serious. You see this [clause]? This is called a negative security assurance. We tried to get this from them throughout the Cold War and were unsuccessful." It seemed to me at the time that the DPRK finally received the security guarantee and the end to "hostile" U.S. policy that they had long sought. Yet, after holding this out as a precondition for progress, in subsequent rounds of negotiations they proceeded to brush this off as a meaningless commitment, a piece of paper that guaranteed nothing for North Korean security. Today, the clause remains buried in the 2005 Joint Statement bereft of any significance, despite all of the intent to make it the definitive statement of U.S. non-hostile intent. ...Kim Jong-il may want nuclear weapons, but is that all that he wants? After all, you can't eat plutonium. ... I believe that North Korea wants a deal ultimately, but not one that requires full denuclearization on their part. ...Yet, in the course of sometimes heated talks, the North Koreans would assert to Hill, the lead U.S. negotiator, that the United States should simply accept North Korea as a nuclear weapons state, much as they have done for India and Pakistan. When they were told that this was not likely (nor should they want to be treated like Islamabad), their negotiators countered that the talks should not be about the one-sided denuclearization of North Korea. This was tantamount to "stripping us naked" without any corresponding actions. Instead, the talks should be about mutual nuclear arms reductions between two established nuclear powers: "you know, like you used to have with the Soviet Union during the Cold War." ...Pyongyang wants the United States to accept it as a nuclear power. ...As their candid comments and actions demonstrate, they may be aiming to turn the Six-Party Talks into a bilateral U.S.–DPRK nuclear arms negotiation, in which the North is accorded a nuclear status. The ideal outcome of this negotiation, in the North's view, is not actually a reduction of U.S. nuclear weapons, particularly since the United States has no nuclear weapons on the Korean peninsula, but rather a situation similar to the arrangement that the United States negotiated with India. That is, an agreement in which North Korea is willing to come back under International Atomic Energy Agency (IAEA) safeguards and monitoring, but is also assured of a civilian nuclear energy element (i.e., Pyongyang's long-held desire for light water reactor technology and a national energy grid capable of supporting these reactors). Most important, they would want the control of a portion of their nuclear energy and weapons programs outside of international inspection, which in their eyes could then serve as their nuclear deterrent. This was, of course, the most controversial element of the U.S.–India civil nuclear energy agreement . agreement, which left a portion of India's reactors (8 of 22) outside international inspection. Pyongyang would certainly want a great deal in return even for these "concessions," including energy assistance, economic development assistance, normalized relations with the United States, and a peace treaty ending the Korean War. ...The North Koreans have never tabled an India-type agreement as a formal negotiating position at the talks or in bilateral dialogue with the United States. ... Apologists for North Korea often argue that the regime's nuclear programs derive from insecurity. ...There is some

truth to this claim, and for this reason the United States, on countless occasions, has stated that it does not have a hostile policy toward North Korea. Table 1 offers the first compilation of all statements of U.S. non-hostile intent to North Korea dating back to the George H.W. Bush ...One of the challenges the Obama administration will face is keeping the Chinese honest in complying with the sanctions in resolution 1874 even after the North Koreans show interest in returning to the table for negotiations....The other negotiation trap the administration must avoid is the dilemma of "relative reasonableness." What this means is that every agreement in the Six-Party process is negotiated with painstaking care, in which parties hammer out specific quid pro quos, the synchronization of steps, timelines, rewards, and penalties. Yet, sooner or later, Pyongyang plays brinksmanship and demands more than it was promised or does less than it should. While everyone accepts the DPRK as being completely unreasonable, they also realize that a failure of the agreement could mean the failure of the Six-Party Talks and precipitate another crisis. To avoid this, the parties end up pressing the United States, knowing full well that the DPRK is at fault, traversing the bounds of fairness and good faith. ...If North Korea's objectives enumerated above are correct, then any Six-Party or bilateral negotiations, if they ever resume, will invariably reach a dead end. The United States is unlikely to offer Kim Jong-il or his son a civil nuclear deal similar to India's, and absent any real improvement in human rights, no U.S. president could possibly offer regime assurances to the butchers of Pyongyang. This pessimistic prognosis should not, however, mean that negotiation should be abandoned. If the choice is between dealing with a dictator with a runaway nuclear weapons program or one with a program capped and under international monitoring, the latter surely serves U.S. and Asian interests. **The Six-Party Talks or any future derivative can still serve the purpose of freezing, disabling, and degrading North Korea's nuclear capabilities, even as the stated goal remains total denuclearization, while we await the unlikely transformation of the regime's objectives or its inevitable end.** (Victor Cha, "What Do They Really Want? Obama's North Korea Conundrum, *Washington Quarterly*, October 2009, 119-38)

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A U.S. delegation is traveling to the United Arab Emirates and Egypt to discuss implementation of U.N. sanctions on North Korea for its nuclear and missile tests. "Ambassador Phil Goldberg, our coordinator for implementation of U.N. Security Council Resolution 1874, is leading an interagency delegation which includes Treasury Deputy Assistant Secretary Danny Glaser," DoS spokesman Ian Kelly said. "They were in the United Arab Emirates on Thursday, October 1st, with meetings with Emirati officials regarding implementation of sanctions on North Korea as called for in U.N. Security Council Resolution 1874." U.S. officials said they will soon make a decision on whether to send Ambassador Stephen Bosworth to Pyongyang to persuade the North to come back to the six-party talks, although they pledged not to try to resolve the North Korean nuclear issue through bilateral talks. Any decision will likely be made after Chinese Premier Wen Jiabao visits Pyongyang early next week on the occasion of the 60th anniversary of normalization of Chinese-North Korean ties. There are reports that North Korean leader Kim Jong-il may make an important announcement on the six-party talks at that time. Bosworth said October 27 that the Barack Obama administration does not have a military option on the table regarding North Korea's denuclearization. "There is no military solution," he said. "Containment does not give long-term results.

Negotiations are the way forward.” (Hwang Doo-hyong, “U.S. Delegation in Middle East on N. Korea Sanctions Implementation, Yonhap, October 2, 2009)

The Obama administration is giving repeated indications of a cautious approach towards direct dialogue with North Korea, and has stated that the final decision to hold bilateral talks has not yet been made. Observers are calling this somewhat unexpected in light of a statement made by Philip Crowley, assistant secretary for the U.S. State Department’s Bureau of Public Affairs, in a September 11 briefing, which seemed to indicate that the formal announcement of a bilateral dialogue would be made after the United Nations General Assembly session scheduled for September 21- 23 concluded. In fact, it has been reported that during that session, the South Korean and Japanese government communicated to the U.S. that they welcomed, or else did not object to, a bilateral North Korea-U.S. dialogue. The U.S. government also announced that South Korea, China, Japan and Russia supported the U.S. approaching a bilateral dialogue with North Korea. However, in answering the question of whether such dialogue will actually take place, U.S. authorities are less forthcoming. In a public briefing, Assistant Secretary of State for East Asia and Pacific Affairs Kurt Campbell said that “no final decision” has been made concerning the dialogue. Crowley echoed this in a meeting with reporters September 28 when he said that there had been a proposal from North Korea for bilateral dialogue, which the U.S. is still evaluating. Many analysts are saying that the circumspect approach by the U.S. owes itself primarily to strategic considerations. According to this view, the approach is intended to put the U.S. in an advantageous position in future negotiations by not giving the appearance of rushing into a dialogue with North Korea. “It is correct that the U.S. has virtually decided upon the North Korea-U.S. dialogue, apart from the issue of the timeline,” said a South Korean government official. “However, there appears to be an underlying determination that there is no need to show their cards ahead of discussions,” the official added. Other observers are suggesting that in procedural terms, fine-tuning between related offices in the U.S. has finished, but no definite announcement has been made because Obama has yet to give his final approval. In an interview with Voice of America, former U.S. State Department Director of Policy Planning Mitchell Reiss also raised the possibility that the announcement is being postponed because agreement over the content has not yet been reached among the five nations involved. In the interview, Reiss said that there could be differences of opinion among authorities over what message to send to North Korea. Some analysts are also speculating that the U.S. may have set North Korea’s declaration of a return to the six-party talks as a condition for bilateral dialogue, and that it is now waiting for North Korea’s response. However, South Korean and U.S. authorities have stated, at least on the surface, that no preconditions were set for dialogue. (*Hankyore*, “U.S. Delays Bilateral Dialogue with N. Korea,” October 3, 2009)

Trade between North and South Korea dipped more than 20 percent in the first eight months of this year due to soured relations on the divided peninsula, a lawmaker said. Trade between the two Koreas fell 24.1 percent to \$929.66 million from January to August from the same period last year, Noh Young-min, a lawmaker with the main opposition Democratic Party, said in a statement. He said his office got the figures from the Unification Ministry, which handles inter-Korean affairs. (Associated Press, “Inter-Korea Trade Declines More Than 20 Percent,” October 3, 2009)

- 10/4/09 India's navy said that a Pakistan-bound North Korean ship detained near Calicut port in southwestern India two days ago after it dropped anchor in Indian waters without permission would be allowed to leave Indian waters after a search of the vessel yielded nothing incriminatory. The ship was inspected by a joint team of the Indian Navy, coast guard, intelligence agencies and port authorities, navy spokesman Roy Frances said. "The investigating team did not find any incriminating cargo or evidence on board the ship," Frances told the Indo-Asian News Service. The ship would soon be allowed to leave Indian waters, he said. (Associated Press, "Report: Seized N. Korean Ship Allowed to Leave India," October 5, 2009)
- 10/5/09 South Korea knows of about 100 sites linked to North Korea's nuclear program and has the capacity to strike them if an attack from the North is imminent, the defense minister said. "There are about 100 sites related to the nuclear' program," Kim Tae-Young told legislators during a parliamentary audit of his ministry's work. "We have a complete list of them," Yonhap quoted him as saying. Kim expressed confidence his forces could hit any of them "if it is absolutely clear a North Korean offensive is imminent." (AFP, "S. Korea Says N. Korea has 100 Sites Linked to Nuclear Program," October 5, 2009)
- 10/4-6/09 North Korea told visiting Chinese Premier Wen Jiabao that it was open to bilateral and multilateral talks on its nuclear programs, China's state television reported. The report said the comments were made by North Korean, who arrived in North Korea earlier in the day. **"North Korea has never abandoned its willingness to realize this goal (of denuclearizing the Korean peninsula) through bilateral and multilateral dialogue,"** Premier Kim Jong-il was quoting saying during a meeting with Wen. Kim Jong-il hosted a red-carpet airport welcome for Wen. (AFP, "N. Korea Says It Is Open to Nuclear Talks, According to Chinese Media," October 4, 2009) Kim **"expressed our readiness to hold multilateral talks, depending on the outcome of the DPRK-U.S. talks. The six-party talks are also included in the multilateral talks,"** KCNA reported. **"The hostile relations between the DPRK and the United States should be converted into peaceful ties through the bilateral talks without fail."** (Kyodo, "N. Korea Ready to Return to 6-Way Talks; Talks with U.S. Key," October 6, 2009) Xinhua: "Chinese Premier Wen Jiabao and Kim Jong Il, top leader of the Democratic People's Republic of Korea (DPRK), held talks here on Monday and reached important consensus on China-DPRK relations and the promotion of a nuclear-free Korean Peninsula. Premier Wen extended sincere greetings and best wishes to Kim on behalf of Chinese President Hu Jintao. The hard-earned friendship and friendly cooperative relations achieved by the joint efforts of several generations of the two countries conform to the aspiration of the two peoples, Wen said, adding that the two nations should pass on the friendship from generation to generation. Kim asked Wen to relay his greetings to Chinese President Hu. Kim said Wen's official goodwill visit, which coincided with the 60th anniversary of the DPRK-China ties and the China-DPRK Friendship Year, demonstrates the importance that China has attached to developing ties with the DPRK. The celebrations from both sides have been successful and enhanced the DPRK-China traditional friendship, Kim said. The DPRK is ready to make joint efforts with China to further consolidate and strengthen the DPRK-China friendly, cooperative relations, Kim said. [not alliance] China is willing to work with the DPRK to maintain high-level exchanges, deepen pragmatic cooperation, strengthen coordination on major issues, and push forward the good-



neighborly and friendly cooperative relations, he added. The DPRK is ready to make joint efforts with China to further consolidate and strengthen the DPRK-China friendly, cooperative relations, Kim said. **Realizing a nuclear-free Korean Peninsula was the instruction of the late DPRK leader Kim Il Sung and the DPRK's commitment to realizing the denuclearization of the peninsula remains unchanged, Kim said. Through the DPRK-U.S. bilateral meeting, the hostile relations between the two countries must turn into peaceful ones, he said. The DPRK is willing to attend multilateral talks, including the six-party talks, based on the progress in the DPRK-U.S. talks, he said.** Wen said **China appreciated the DPRK's commitment to the nuke-free peninsula and the multilateral dialogues, including the six-party talks, to realizing this goal.** Wen said China is willing to make concerted efforts with the DPRK and other parties concerned to contribute to realizing the denuclearization of the Korean Peninsula and maintaining peace, stability and development in the Northeast Asian region.”(Xinhua, “Chinese, N. Korean Leaders Meet on Bilateral Ties, Denuclearization of the Korean Peninsula,” October 6, 2009) North Korean leader Kim Jong Il told the visiting Chinese premier October 5 that his country was willing to return to six-nation nuclear disarmament negotiations provided progress is made in direct talks with the United States, according to Chinese and North Korean state media.(David Pearson, “North Korea Tells China It Would Rejoin Nuclear Talks,” *Los Angeles Times*, October 6, 2009) KCNA: “An agreement and agreed documents between the governments of the DPRK and China were signed at the Mansudae Assembly Hall [today]. Present at the signing ceremony from the DPRK side were Kim Yong Il, premier of the DPRK Cabinet, Choe Thae Bok, secretary of the Central Committee of the Workers' Party of Korea, Ro Tu Chol, vice-premier of the Cabinet and chairman of the State Planning Commission, Pak Ui Chun, minister of Foreign Affairs, Kang Nung Su, minister of Culture, Kim Yong Ho, chief secretary of the Cabinet Secretariat, Pak Kyong Son, vice department director of the WPK Central Committee, Kim Yong Il, vice-minister of Foreign Affairs, Ku Pon Thae, vice-minister of Foreign Trade, Choe Jin Su, DPRK ambassador to China, and officials concerned. Present from the Chinese side were Wen Jiabao, premier of the State Council, Yang Jiechi, minister of Foreign Affairs, Wang Jiarui, head of the International Liaison Department of the Central Committee of the Communist Party of China, Zhang Ping, minister in charge of the National Development and Reform Commission, Chen Deming, minister of Commerce, Cai Wu, minister of Culture, Xie Fuzhan, director of the Research Office of the State Council, Liu Xiaoming, Chinese ambassador to the DPRK, Qiu Xiaoxiong, vice secretary-general of the State Council and director of the Premier's Office, Wu Dawei, vice-minister of Foreign Affairs, Liu Zhenqi, deputy director of the General Political Department of the Chinese People's Liberation Army, and other suite members. Signed at the ceremony were the "protocol on the adjustment of treaties between the governments of the DPRK and China," the "agreement on economic and technological cooperation between the governments of the DPRK and China," exchange documents on economic assistance and other agreed documents in the field of economy, an accord on exchange and cooperation between educational organs of the two countries, a MOU on exchange and cooperation in the field of software industry and a protocol on common inspection of export and import goods between the state quality control organs of the two countries, a MOU on tour of the DPRK sponsored by the tourist organizations of China and an accord on strengthening the cooperation in protecting wild animals.” (KCNA, “Agreement and

Agreed Documents Signed between DPRK, Chinese Governments," October 4, 2009) China and North Korea vowed to strengthen a friendship which they said preserved regional peace, as Premier Wen Jiabao pressed on with a mission to bring Pyongyang back to nuclear disarmament talks. "History has proven that developing China-North Korea relations is in line with the fundamental interests and common aspirations of the two peoples and conducive to safeguarding regional peace and stability," said a Chinese foreign ministry statement quoting its President Hu Jintao and Wen. "We are willing to work together with North Korea to... constantly push forward friendly and cooperative relations." The statement, marking the 60th anniversary of diplomatic relations, came on the second day of Wen's high-profile visit to Pyongyang. It made no mention of the North's nuclear programs. In the same statement, the North's leader Kim Jong-Il was quoted as calling the bilateral relationship "a common treasure." "Consolidating and developing this friendship is the consistent position of our party and government," it quoted Kim and other leaders as saying, adding the two countries had made "great contributions" to maintaining regional and world peace. (AFP, "China, North Korea Vow to Strengthen Friendship," October 5, 2009) KCNA: "Kim Yong Nam, president of the Presidium of the DPRK Supreme People's Assembly, met and had a friendly conversation with Wen Jiabao, member of the Standing Committee of the Political Bureau of the Central Committee of the Communist Party of China and premier of the State Council of the People's Republic of China, at the Mansudae Assembly Hall Monday when the latter paid a courtesy call on him. Kim referred to the fact that Wen Jiabao visited the DPRK at an important time when the DPRK and China are working out brilliant future, summing up the 60 year-long history of friendship and cooperation between them. He stressed that it is the consistent stand of the WPK and the DPRK government to value the DPRK-China friendship and invariably strengthen and develop it. Wen Jiabao expressed thanks to General Secretary Kim Jong Il for having greeted him and other Chinese guests at the airport. **He also referred to the fact that the two countries have dynamically stepped up socialist construction, supporting and cooperating with each other after the establishment of diplomatic ties between them. He noted that it is the moral obligation toward the leaders of the elder generation and responsibility before the new generation to steadily consolidate and develop the traditional Sino-DPRK friendly relations,** the common wealth of the two peoples. Present there were Yang Jiechi, minister of Foreign Affairs, Wang Jiarui, head of the International Liaison Department of the C.C., the CPC, Zhang Ping, minister in charge of the National Development and Reform Commission, Chen Deming, minister of Commerce, Cai Wu, minister of Culture, Xie Fuzhan, director of the Research Office of the State Council, Liu Xiaoming, Chinese ambassador to the DPRK, Qiu Xiaoxiong, vice secretary-general of the State Council and director of the Premier's Office, Wu Dawei, vice-minister of Foreign Affairs, and Liu Zhenqi, deputy director of the General Political Department of the Chinese People's Liberation Army. On hand were Choe Thae Bok, secretary of the Central Committee of the Workers' Party of Korea, Pak Ui Chun, minister of Foreign Affairs, Kang Nung Su, minister of Culture, Pak Kyong Son, vice department director of the WPK Central Committee, Kim Yong Il, vice-minister of Foreign Affairs, Ku Pon Thae, vice-minister of Foreign Trade, and Choe Jin Su, DPRK ambassador to China. (KCNA, "Kim Yong-nam Meets Wen Jiabao," October 5, 2009) Wen Jiabao, China's premier, can hail his visit to North Korea as a bit of a diplomatic coup. Now the question is whether there is an economic dividend too. Yet if resource-

hungry China hopes revived camaraderie will also grant it a large bite of North Korea's massive untapped mineral wealth, analysts and diplomats warn, Beijing could be sorely disappointed. North Korea's mineral wealth is receiving close scrutiny, with South Korea's government this week valuing reserves at \$6,000bn (€4,070bn, £3,670bn). Encouraged by data on metals, Goldman Sachs last month predicted the economy of a unified Korea could rival Japan's by 2050. Until the 1970s North Korea was the wealthier half of the peninsula. Under communism it has supplied gold to the international bullion market. But poor technology and limited funds have in effect trapped most mineral reserves, potential investors say. Trade with China is growing, reaching \$2.8bn last year from about \$2bn in 2007. But military authorities in North Korea are perceived as hostile to the changes in society and infrastructure that foreign investment could bring. "If the North opens its mineral resources to foreign countries, that is tantamount to taking a military, social and political gamble, jeopardising their security," said Lim Eul-chul, of Seoul's Institute of Far Eastern Studies. A South Korean diplomat closely involved with nuclear talks doubted Pyongyang would allow China to make big investments inside its border. "They cannot permit that kind of influence," he said. Although they were long communist allies, North Korea and China have a mutual mistrust, partly tied to territorial claims. Still, limited foreign investment in the sector is not impossible. Colin McAskill, executive chairman of Koryo Asia, says he has signed a letter of intent and memorandum of understanding to invest in North Korean metals and argues his model would not interfere with sovereignty issues that concern Pyongyang. Switzerland's Quintermina has posted reports on its website saying it is looking to extract magnesite in North Korea. Chinese investors are believed to have some metals interests and are also involved in coal mining. "The Chinese companies that have tried to do business in North Korea complain a lot that the regulations change frequently and that the power supply is erratic," said a Chinese academic in Beijing. (Christian Oliver, "China Eyes N. Korea's Mineral Wealth," *Financial Times*, October 7, 2009, p. 6) Wen promised food aid worth \$21 million (1.92 billion yen) but withheld plans for projects totaling billions of dollars, such as railways, factories and housing development, in North Korea. (Minemura Kenji, "N. Korea Squirms after China Raps Test," *Asahi Shimbun*, February 24, 2010) North Korea is known to have proposed to China the revision of a bilateral cooperation treaty in talks on a breakthrough in international sanctions. When Wen Jiabao held talks with North Korean leader Kim Jong Il in Pyongyang in October last year, China's official Xinhua did not say whether they discussed the revision of a clause in the treaty guaranteeing China's automatic intervention in the event of a security threat in North Korea. An informed source on North Korea based in Beijing said, however, that the proposed revision was on the agenda at the Wen-Kim meeting. (*Dong-A Ilbo*, "N. Korea Seeks Revision of 1961 Defense Treaty with China," March 4, 2010) Kim Jong-il met Wen at the airport. Wen had chaired a meeting on August 17 of the PRC State Council Leading Group for Revitalizing the Northeast Region and Other Old Industrial Areas, which enacted an "implementing strategy" for developing the rust belt. Among the recommendations was to "raise the level of opening up the Northeast Region to the outside world, organize the proper implementation of the 'Liaoning Coastal Economic Belt Development Program,' and firmly seize the formulation of the Tumen River Regional Development and Opening Up Program." A key part of plans for Jilin province was access to Rajin. Provincial officials had long complained that Dalian was backed up so Jilin could not get goods to market or raw materials delivered in

timely fashion. The Chinese also agreed to build a new bridge downstream from the smaller one linking Dandong to Sinuiju. The visit marked the start of rising Chinese influence in the North. (Oberdorfer and Carlin, *The Two Koreas*, pp. 446-47)

Lawmakers on the National Assembly's Foreign Affairs, Trade and Unification Committee participated in a bipartisan criticism of President Lee Myung-bak's "Grand Bargain" during the parliamentary audit and inspection of the administration, October 5. Lawmakers of the ruling Grand National Party (GNP), as well as lawmakers of opposition parties, are saying that suggestions made by President Lee are unrealistic. GNP Lawmaker Yoon Sang-hyun said, "I think the 'Grand Bargain' is impossible to achieve because it puts forward a notion of one-point deal to resolve the North Korea nuclear issue." He added, "It seems that when the suggestion was made by President Lee there had been no discussion with the U.S." Yoon also said, "Prior steps are required in order to achieve the final goal of securing an agreement to annul North Korea's nuclear program, and the 'Grand Bargain' has no steps and is an amateur suggestion that I think the U.S. will not agree with." Nam Kyung-phil, another lawmaker of the GNP, also criticized the "Grand Bargain" by saying, "The 'Grand Bargain' will conflict with the U.S.'s package deal that outlines some steps." (*Hankyore*, "National Assembly Criticizes Lee Myung-bak's 'Grand Bargain,'" November 3, 2009)

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North Korea was "close to completing" the restoration of its main nuclear facilities in Yongbyon, Yonhap reported, quoting an unidentified government source. The government in Seoul could not immediately confirm the Yonhap report. (Choe Sang-hun, "North Korea May Be Open to Talks," *New York Times*, October 6, 2009, p. A-6) South Korea's foreign minister said on today there were no signs that the North was in the final stages of restoring an aging nuclear plant, knocking down a report that operations could soon resume at the facility. Yonhap quoted a government source as saying Pyongyang was in the final stages of restoring the Yongbyon complex, which when fully operational, can produce enough material for one nuclear bomb a year. "What we know is that they are not yet at that kind of stage," Yu Myung-hwan said when asked whether the North was about to restore the five-megawatt nuclear reactor at Yongbyon, which is the secretive state's primary source of weapons-grade plutonium. (Jack Kim, "North Korea Not Near Restoring Nuclear Plant," Reuters, October 8, 2009)

State 103755 SECRET Missile Technology Control Regime: North Korea's Missile Program October 6, 2009: 2. (C) ACTION REQUEST: Department requests Embassy Paris provide the interagency cleared paper "North Korea's Missile Program" in paragraph 3 below to the French Missile Technology Control Regime (MTCR) Point of Contact (POC) for distribution to all Partners. Info addressees also may provide to host government officials as appropriate. In delivering paper, posts should indicate that the U.S. is sharing this paper as part of our preparation for the Information Exchange that will be held in conjunction with the MTCR Plenary in Rio, November 9-13, 2009. ... 3. BEGIN TEXT OF PAPER: (SECRET REL MTCR) North Korea's Missile Program Introduction North Korea continues to make progress in its ballistic missile development efforts. We expect both the new Musudan intermediate-range ballistic missile (IRBM) and the solid-propellant Toksa short-range ballistic missile (SRBM) to be fielded in the coming years, and as demonstrated by North Korea's April 5th launch of

the Taepo Dong 2 (TD-2) space launch vehicle (SLV)/intercontinental ballistic missile (ICBM) in a failed attempt to place a satellite into orbit, the pursuit of longer-range systems remains a DRPK priority. North Korea's deployed forces include hundreds of Scud and No Dong short and medium-range ballistic missiles (SRBM/MRBM), seven of which it launched in 2009. North Korea remains one of the world's leading suppliers of ballistic missiles and technology, and continues to provide assistance to both Iran's and Syria's ballistic missile programs. North Korea, since the 1980s, has supplied a variety of customers with ballistic missiles, missile components, and missile-related technology. These sales have included complete Category I missile systems, as well as production technology and expertise. North Korea has maintained its right to sell ballistic missiles and continues to market its systems to countries in the Middle East while seeking to expand its missile marketing activities worldwide. North Korea this year probably resumed ballistic missile-related cooperation with Yemen, and may have recently reached an agreement with Burma to provide Rangoon with ballistic missile technology. North Korea has developed most of the necessary capability and infrastructure to produce and assemble its ballistic missiles. However, while North Korea continues to make progress in its missile development efforts, it remains reliant on outside suppliers for a range of missile-related raw materials and components. While most of these materials are for direct application to its missile program, North Korea may procure some items in support of its missile customers.

Program History North Korea's ballistic missile program started in the early-1980s, when it reverse-engineered Soviet-made 300km-range Scud B SRBMs acquired from Egypt. This Scud B technology went on to form the basis for the DPRK's Scud B, Scud C, No Dong, Taepo Dong-I (TD-1), and TD-2 systems. In return for the Scud Bs, North Korea assisted Egypt's efforts to domestically produce Scuds. Building on this success, the DPRK began designing the 500 km- range Scud C in the mid-1980s. These Scuds have been exported to customers in the Middle East and are deployed in North Korea. Given its 20 years experience working with Scud technology, North Korea is able to design and produce extended-range variants of the Scud, capable of delivering payloads of over 500 kg to ranges up to 1,000 km. North Korea also used Scud technology to develop the No Dong medium-range ballistic missile (MRBM) that is deployed as part of North Korea's missile forces. The No Dong has a range of 1,300 km with a 500 kg payload, which could strike all of South Korea and Japan. Scud and No Dong technology also form the basis of North Korea's TD-1 and TD-2 systems. In 1998, North Korea tested the Taepo Dong-1, which probably utilized a No Dong first stage and Scud second stage. Although launched as an SLV, the TD-1 launch showed that North Korea had successfully developed many of the essential technologies for staged missile systems vital for ICBM development. The DPRK has also developed the follow-on system for the TD-1, the TD-2. Although a more advanced design than the TD-1, the TD-2 still relies on Scud and No Dong technology, with probably clustered No Dong engines powering the first stage, and either a Scud or No Dong-based second stage. In a two stage configuration, the TD-2 would have a range of over 9,000 km with a substantial weapons payload of approximately 500 kg. In a three stage configuration, such as that launched in April 2009, the TD-2 could deliver the same sized payload up to 15,000 km, which could reach all of the United States and Europe, although likely with very poor accuracy. The first stage of the April 2009 launch fell into the Sea of Japan, and the upper stages landed in the Pacific. This demonstrates progress since the 2006 test, which flew only about 40 seconds. Recently, North Korea

has developed a new land-mobile IRBM --called the Musudan by the United States. The Musudan is a single-stage missile and may have a range of up to 4,000 km with a 500 kg payload. The Musudan is derived from the SS-N-6 submarine-launched ballistic missile (SLBM) and represents a substantial advance in North Korea's liquid propellant technology, as the SS-N-6 had a much more advanced engine and used more energetic propellants -- unsymmetrical dimethylhydrazine (UDMH) and nitrogen tetroxide (N2O4) - - than those used in Scud-type missiles. Development of the Musudan with this more advanced propulsion technology allows North Korea to build even longer-range missiles -- or shorter range missiles with greater payload capacity -- than would be possible using Scud-type technology. As the Scud market nears saturation, North Korea also has started to develop its own solid-propellant missile systems, as evidenced by its development of a new solid propellant SRBM based on the SS-21 SRBM. This new missile -- called the Toksa by the United States -- has a range of 120 km with a payload as large as 500 kg. This is a disturbing development since North Korea can apply its experience in producing this missile to other, longer- range, solid propellant missile designs. Solid propellant ballistic missiles are preferred by many countries due to their lesser logistics requirements and shorter launch times, making them more survivable than liquid propellant missiles. North Korea,s advances -- in both its liquid and solid propellant programs -- have come despite a self-imposed missile launch moratorium, that limited North Korea's ability to verify new designs or modifications to its missile systems during the 1999-2006 timeframe. North Korea ended the moratorium with its July 5, 2006 Scud, No Dong, and Taepo Dong-2 launches. Program Activities On April 5, 2009, North Korea -- despite UN Security Council Resolution 1718, which requires the suspension of all activities related to its ballistic missile program -- conducted the second launch of the TD-2. Although the April 5th TD-2 launch failed to place a satellite in orbit, the launch was much more successful than the first TD-2 launch in 2006, demonstrating that North Korea is making progress in developing technology that can directly contribute to the production of ICBMs. Subsequently, and despite the adoption on June 12, 2009 of UNSCR 1874, which reaffirmed the provisions of UNSCR 1718 related to North Korea,s ballistic missile activities, North Korea tested seven Scud SRBMs and No Dong MRBMs on July 4th. The April 5th TD-2 launch also demonstrated that North Korea continues to pursue the development of longer-range missile systems and that long range missile development probably remains a priority. North Korea's next goal may be to develop a mobile ICBM that would be capable of threatening targets around the world, without requiring the lengthy -- and potentially vulnerable -- launch preparation time required by the TD-2. Technology Supplier The DPRK continues to sell ballistic missile-related technology to countries in the Middle East, while seeking to re-engage with former customers in the region. North Korea is probably also pursuing new markets for its missiles, including in regions such as Southeast Asia and Africa. North Korea offers a wide-range of ballistic missile services, almost certainly is willing to offer any missile design in its inventory for sale to customers interested in complete systems, and can design missiles to meet specific customer needs. For customers with established missile programs or otherwise lacking interest in complete systems, North Korea provides missile refurbishment and technical expertise, ground support equipment and launchers, and production technology. North Korea can also broker precision machine tools and other missile-related raw materials from third-parties for customers through its extensive procurement network. Iran Iran is one

of North Korea's key missile customers. Since the late 1980s, the DPRK has exported complete Scud B and Scud C missiles to Iran, as well as their production technology. The Scud and other missile technology acquired from North Korea form the basis for the Iranian Shahab-3, which is based on North Korea's No Dong. North Korea has probably provided Iran an MRBM variant, called the BM-25, of its Musudan IRBM. This technology would provide Iran with more advanced missile technology than currently used in its Shahab-series of ballistic missiles and could form the basis for future Iranian missile and SLV designs. North Korea also provided assistance to Iran's SLV program. On February 2nd, Iran successfully orbited the Omid satellite, using its Safir SLV, the first stage of which was based on the Shahab-3 (No Dong). Pyongyang's assistance to Iran's SLV program suggests that North Korea and Iran may also be cooperating on the development of long-range ballistic missiles. Syria is another of North Korea's key missile customers. North Korea has provided Syria with 500 km-range Scud C missiles and technology as well as technology for a 700 km-range Scud variant, referred to in Syria as the "Scud D." The missiles came initially in either partially or completely knocked-down kit form, but were produced in North Korea. Syria has since achieved a domestic production capability, probably with extensive assistance from Pyongyang. North Korea has also provided a range of other missile-related services to Syria, including production technology, ground support equipment, raw material, components, technical assistance, and know-how. North Korea probably provided assistance to Syria's development of a maneuvering reentry vehicle (MaRV) for its Scud ballistic missiles. Yemen In December 2002, Yemen received a shipment of Scud missiles, which Sanaa claimed to have bought from North Korea for defensive purposes and pledged would not be retransferred to any third party. North Korea probably resumed ballistic missile cooperation with Yemen in 2009. Burma The mid-2009 voyage of the North Korean ship, Kang Nam 1, probably was associated with North Korea's primary arms export entity -- suggesting that the cargo was most likely weapons-related. The ship returned to North Korea prior to reaching its destination, which was most likely Burma. The Kang Nam 1 probably was carrying ballistic missiles or conventional weapons. A November 2008 visit by a senior Burmese official to a North Korean ballistic missile production facility suggests that the two sides probably have been discussing a ballistic missile deal, and that the cargo may have been related to these discussions. Foreign Assistance North Korea operates a vast network of embassy personnel, front companies, and commercial entities run by ethnic Koreans in other countries to obtain key technologies and materials needed to support both its own and its customers' missile programs. Members of this network often do not reveal their affiliation with North Korea, or North Korea as the end-user of critical goods; they utilize entities in Europe, China, East Asia, and South Asia to establish reliable routes for the transfer of controlled items. Most foreign procurement by the North Korean missile program includes material North Korea finds too costly or too advanced to manufacture domestically, such as missile component testing equipment, heat-resistant materials for re-entry vehicles, heavy-duty vehicle chassis, missile tracking technologies, precision machine tools, specialty steels and aluminums, ball bearings, precision gyroscopes, solid-propellant precursor chemicals, and liquid-propellant precursors. Although important for its own program, North Korea also uses this network to broker missile-related raw materials for its missile export customers. Conclusion North Korea will continue to develop missiles with increasing range, payload capacity, and

sophistication. In support of these efforts, North Korea will continue to seek critically-needed components from foreign suppliers -- most commonly China-based, given their proximity and access to technology that would be beneficial to North Korea's missile program. In light of its past missile technology acquisition practices, we remain vigilant for any attempts by North Korea to acquire material or technology associated with missile systems other countries -- including MTCR Partners -- have retired. International pressure against North Korea and its customers have had a significant impact on North Korea's missile sales. However, despite such pressure, North Korea continues missile cooperation with its core clients and continues to offer MTCR Category I missile systems, their production technology, and missile maintenance and support services to all interested customers." (Wikileaks)

South Korea expressed concern that a set of economic deals reached between North Korea and China during Chinese Premier Wen Jiabao's trip to Pyongyang may affect the implementation of U.N. sanctions on the North. "We need to check more details to see whether various economic aid plans that Chinese Premier Wen Jiabao promised during his visit to North Korea violate U.N. Security Council Resolution 1874," Foreign Minister Yu Myung-hwan said in a forum with senior journalists here. (Lee Chi-dong, "S. Korea Raises Concern over China-N. Korea Economic Deals," Yonhap, October 6, 2009)

North Korea's infamous penal system, which for decades has silenced political dissent with slave labor camps, has evolved into a mechanism for extorting money from citizens trading in private markets, according to surveys of more than 1,600 North Korean refugees. Reacting to an explosive rise in market activity, North Korea has criminalized everyday market behavior and created a new kind of gulag for those it deems economic criminals, according to a report on the refugee surveys. It will be released this week by the East-West Center, a research organization established by Congress to promote understanding of Asia. The report says security forces in North Korea have broad discretion to detain without trial nearly anyone who buys or sells in the local markets, which have become a key source of food for a poor population that suffers from chronic malnutrition. Yet if traders can pay bribes, security officials will often leave them alone, the report says. "This is a system for shaking people down," said Marcus Noland, co-author of the report and deputy director of the Washington-based Peterson Institute for International Economics. "It really looks like the work of a gang, a kind of 'Soprano' state. But it succeeds in keeping people repressed." The system snares economic criminals for brief terms in makeshift labor camps where inmates often witness executions and deaths from torture and starvation, according to the report. "People witness truly horrible things and are soon released back into the population," Noland said in an interview here. Noland, an economist, and his co-author, Stephan Haggard, an Asian specialist at the University of California in San Diego, have extensively chronicled the economic underpinnings of poverty and hunger in North Korea. Their new report, "Repression and Punishment in North Korea," draws on data gathered in two surveys of North Korean refugees. The first, conducted in 2004 and 2005, interviewed 1,346 people in 11 sites in China. The second, conducted late last year in South Korea, interviewed 300 people. Most of those interviewed were in their late 30s and had been farmers or laborers. (Blaine Hardin, "North Korean Prisons Have Become a System of Extortion, Refugees Say," *Washington Post*, October 6, 2009)



10/7/09

In an unprecedented gesture, FM Katsuya Okada called for a common history book for South Korea, China and Japan to form a shared recognition of the history in the East Asian countries. Speaking at the Foreign Correspondents' Club of Japan, Okada said it would be "ideal" if the three nations published a common history book to clear up controversies over the interpretation of historical regional events. "Ideally, we need to have a common history textbook," Okada said. "As a first step toward the publication of the common textbook, the three countries should implement a joint study of the history." It marked the first time that an acting Japanese government official has discussed the possibility of publishing a history textbook of that kind. Asked about Okada's comments at his press briefing yesterday, South Korean Foreign Minister Yu Myung-hwan said forming a common historical understanding among the three nations would help the young generation develop a proper sense of history. (Yoo Jee-ho, "Japanese Foreign Minister Suggests Joint History Texts," *JoongAng Ilbo*, October 9, 2009)

10/9/09

President Lee Myung-bak and PM Hatoyama Yukio agreed to seek a "comprehensive" solution to ending North Korea's nuclear development through a package deal. "We agreed on the need for a fundamental and comprehensive solution to the North Korean nuclear issue that will not lead to the negotiation tactics of the past, and we agreed to work closely together on a way to resolve the issue in a single step," Lee said in a joint press conference after his summit with the Japanese prime minister. The idea of a single-step solution was proposed last month by the South Korean president, who urged an end to North Korea's "salami tactic" of dividing its denuclearization process into a multitude of bargaining chips and demanding incentives for each of them. Hatoyama said Lee's proposal for a "grand bargain" was a "very accurate, correct" approach to denuclearizing the North. "We must find out North Korea's true intentions by pursuing a complete and comprehensive solution to North Korea's nuclear, as well as its ballistic missile programs. Unless North Korea shows willingness to give them up, we must not provide economic assistance," the Japanese premier told the press conference. (Byun Duk-kun, "Lee, Hatoyama Call for One-Step Denuclearization of N. Korea," *Yonhap*, October 9, 2009)

Ri Gun, director general of the North American affairs bureau of North Korea's Foreign Ministry, has been invited to the annual meeting of Northeast Asia Cooperation Dialogue (NEACD) to be held in San Diego from October 26-27, according to the source. "He plans to attend the forum but the U.S. has not issued a visa for him yet," the source said, asking not to be named. (Lee Chi-dong, "N. Korean Diplomat Seeks to Visit the U.S. This Month," *Yonhap*, October 9, 2009)

North Korea has massively increased its special operations forces, schooled them in the use of Iraqi-style roadside bombs and equipped them to sneak past the heavily fortified border that divides the two Koreas. By expanding what was already the world's largest special operations force, the North appears to be adding commando teeth to what, in essence, is a defensive military strategy. The cash-strapped government of Kim Jong Il, which struggles to maintain and buy fuel for its aging tanks and armor, has concluded it cannot win a conventional war, according to U.S. and South Korean military officials. But by combining huge numbers of special forces with artillery that can devastate Seoul and

missiles that can pound all of South Korea, North Korea has found an affordable way to remain terrifying, ensure regime survival and deter a preemptive strike on the nuclear bombs that make it a player on the world stage, say U.S. and South Korean military analysts. "The North Koreans have done what they had to do to make sure their military is still a credible threat," said Bruce E. Bechtol Jr., a North Korea specialist who is a professor at the Marine Corps Command and Staff College in Quantico. "They can still inflict tens of thousands of civilian casualties in Seoul on the first day of combat." The havoc-raising potential of North Korea's special forces has grown as their numbers have increased and their training has shifted to terrorist tactics developed by insurgents in Iraq and Afghanistan, according to Gen. Walter Sharp, commander of U.S. forces in Korea. "The capability is really very large, and they will use these tactics," Sharp told reporters recently in Washington. It has been 41 years since North Korea mounted a commando raid inside South Korea, but the South has been forced to respond to an old threat turned new. South Korea's army is trying to improve the mobility of its trench-bound frontline infantry and has canceled plans to reduce some reserve units. It has reversed the long-planned removal of a special warfare command from southern Seoul and has begun moves to buy advanced transport planes to deliver its special forces inside North Korea. The navy has been ordered to change its focus from patrolling the sea to defending the shoreline from commando attacks, according to Kim Jong-dae, who edits a military magazine in Seoul and who until 2007 was a policy adviser to the defense minister. The South Korean government declined to comment on the navy's orders. South Korea and the United States agree that the number of North Korean special forces is rising, but they disagree on how much. The number is now 180,000, according to the South Korean Defense Ministry. That's a 50 percent increase since the South's last official count three years ago. But Sharp, the U.S. commander here, puts the number at 80,000 (although that still dwarfs the special forces of any country, including the United States, which has about 51,000.) Much of the difference appears to be a dispute over the definition of special forces. North Korea has retrained and reconfigured about 60,000 infantry troops as special forces in the past three years, South Korea says. The United States agrees that this reconfiguring has occurred, but it "does not count [retrained infantry] as special forces," according to Maj. Todd Fleming, a spokesman for U.S. forces in Korea. Whatever the number, there is widespread agreement that the North's special forces are increasingly formidable. Sharp describes them as "tough, well-trained and profoundly loyal," while being capable of illicit activities, strategic reconnaissance and attacks against civilian infrastructure and military targets across Northeast Asia. Their low-tech, low-cost training includes throwing knives, firing poisonous darts and running up steep hills wearing backpacks filled with 60 pounds of rocks and sand, said Ha Tae-jun, a former South Korean commando who has debriefed captured members of the North's special forces. They are also drilled in street warfare, chemical attacks, night fighting, martial arts, car theft and using spoons and forks as weapons, say South Korean government reports and military experts. North Korea has repeatedly threatened to turn Seoul (located just 35 miles from the border) into "a sea of fire." To make that possible, it has moved about 70 percent of its military units and up to 80 percent of its total firepower to within 60 miles of the DMZ, according to the Strategic Studies Institute, a research arm of the U.S. Army War College. But the capacity of North Korea to protect and maintain that frontline armor has declined since the 1990s. Flight hours for the North's military aircraft have plummeted for lack of fuel,

as has training of mechanized ground forces. North Korea has also begun to question the utility of the tanks and armor it can afford at the front, after seeing the ease with which U.S. precision weapons shredded Saddam Hussein's armored forces in Iraq, according to a South Korean Defense Ministry report. "They were really shocked watching how the Americans destroyed Iraq's tanks," said Kim, the military affairs editor. (Blaine Harden, "N. Korea Swiftly Expanding Its Special Forces," *Washington Post*, October 9, 2009)

President Lee Myung-bak and PM Hatoyama Yukio closed ranks on North Korea, adding a new demand to their proposed bargain for the North to abandon its nuclear program and vowing to enforce U.N. sanctions until they are convinced that the country will do so. "We agreed that North Korea must show a fundamental change in its attitude," Lee said. The two leaders also amended their "grand bargain" – a term used by Mr. Lee to describe a sweeping set of incentives for an immediate halt to the North's nuclear program – to include a new demand: a full North Korean accounting of the fate of Japanese citizens believed to have been kidnapped and taken to North Korea in recent decades. Hatoyama defended the need for sanctions, saying, "We should not provide economic cooperation until North Korea takes concrete steps." Until Lee came to office in early 2008, South Korea had resisted injecting that dispute into the already complicated nuclear talks. (Choe Sang-hun, "Japan and South Korea Affirm Stance on North's Nuclear Program," *New York Times*, October 10, 2009, p. A-7)

10/10/09

After China-Japan-South Korea summit in Beijing, China's Prime Minister Wen Jiabao called for the United States and North Korea to engage in a "conscientious and constructive dialogue" aimed at reviving multilateral talks over the North's nuclear weapons program. The statement by seemed to indicate that China was ready to take a more active role in trying to end the standoff between the United States and North Korea, but it remains unclear if he won concessions from the North that will induce Washington to enter into bilateral talks. Kurt M. Campbell, the assistant secretary of state for East Asian and Pacific Affairs, is expected to hold follow-up discussions next week in Beijing and Tokyo, the State Department said. (David Barboza, "Chinese Premier Calls for Dialogue between U.S. and North Korea," *New York Times*, October 11, 2009, p. 7) South Korean President Lee Myung-bak urged the international community to act quickly to denuclearize North Korea, which Chinese Premier Wen Jiabao said was showing flexibility toward negotiations. **"North Korea not only wants improved ties with the United States, but also wishes to improve ties with South Korea and Japan"** the Chinese premier told a joint press conference after a three-way summit with Lee and Japanese Prime Minister Hatoyama Yukio. "The opportunity may disappear if we fail to seize it," Wen said. (Byun Duk-kun, "Leaders of S. Korea, Japan, China Say Time Right for Talks with Pyongyang," October 10, 2009) Japan, China and South Korea agreed at a trilateral meeting to work with other participants in the six-party talks to soon resume the stalled process aimed at denuclearizing North Korea. "We will make joint efforts with other parties for an early resumption of the six-party talks, so as to safeguard peace and stability in Northeast Asia," the leaders of the three countries said in a joint statement, pledging to work to denuclearize the Korean Peninsula through peaceful means. The leaders said their countries "remained committed" to developing an East Asian community, the concept which Hatoyama is currently

spearheading, based on the principles of “openness, transparency, inclusiveness as a long-term goal,” according to the statement, which also mentioned the process of trilateral cooperation in the past decade. In the meeting in Beijing with his Chinese and South Korean counterparts, Premier Wen Jiabao and President Lee Myung Bak, Japanese Prime Minister Yukio Hatoyama declared that his country will seek a more pro-Asian path by reducing its dependence on the United States. “It could be said that we have so far depended on the United States too much,” Hatoyama said at the outset of the meeting. “While the Japanese-U.S. alliance is important, I want to devise policies that focus more on Asia, as a member of Asia.” Noting that these three countries will form the core of his East Asian community concept, Hatoyama said, “I want to start with strengthening economic cooperation, and then work to strengthen exchanges at the cultural and social levels.” (Yamamoto Daisuke, “Japan, China, S. Korea Vow to Achieve Early Resumption of 6-Way Talks,” Kyodo, October 10, 2009) Wen said he and Kim “talked about the North Korean nuclear issue for a combined total of 10 hours over several occasions. We talked for about four hours at a stretch.” (*Chosun Ilbo*, “Chinese Premier Briefs Press on Meeting with Kim Jong-il,” October 12, 2009) PM Wen Jiabao: “I met General Secretary Kim Jong-Il on a number of occasions during the visit, and the total amount of time I spent with him reached ten hours. The longest meeting lasted for nearly four hours. I have already explained to you in the media about China-North Korea relations, but there may have been times when I did not explain sufficiently. So taking this opportunity, I should like to describe my visit to North Korea in detail and offer my personal views. I believe that having you in the media understand the details will also have an important effect on the forthcoming process of resuming the Six-Party Talks. **North Korea indicated flexibility regarding the resumption of the Six-Party Talks and expressed a willingness to resolve issues multilaterally. In addition, it hopes to improve its relations with the United States, Japan and the ROK. This was the most memorable point for me during this visit.** Resumption of the Six-Party Talks will require cooperation from each of the countries concerned that is even more pragmatic than in the past. **There is now an opportunity right in front of our eyes that could vanish in an instant.** If we seize this opening and manage to take full advantage of it, I believe we will achieve progress on this [North Korean] issue. If we miss this opportunity, we will need to invest a greater amount of time and energy later. Each country concerned needs to perceive and grasp this issue from a higher viewpoint. Bilateral talks are important also within the mechanism of the Six-Party Talks, and the two kinds of dialogue are not mutually incompatible. Enhancing mutual trust through bilateral talks is important also in inducing a resumption of the Six-Party Talks. I support constructive consultations between the US and North Korea, and I also look forward to Japan and the ROK increasing their opportunities for contact with North Korea and working to improve their relations.” (Wen Jiabao, Joint Press Conference after Trilateral Summit Meeting, Beijing, October 10, 2009)

North Korean authorities have apparently stepped up regulations and monitoring of Chinese residents there since Beijing backed UN sanctions against the North in June. Sources in China and North Korea say North Korean intelligence officials are increasingly treating Chinese residents who recently visited their home country as spies. Sources say this has prompted many Chinese residents to avoid visiting China. The number of Chinese residents passing through customs in Rajin has dropped to one-

third of the number seen last year after rumors spread that a Chinese resident in Pyongyang who had recently been back to China was hauled off by intelligence agents and charged with espionage. There are an estimated 8,000 to 10,000 Chinese living in North Korea in Pyongyang, Sinuiju and Chongjin. They are better off on average than typical North Koreans since they make a living selling products from China. They had been free from regulations and faced no punishment even if they criticized North Korean leader Kim Jong-il. But they are now said to be subject to the worst repression ever, apparently as a result of North Korean anger at China's backing for the sanctions. North Koreans are accusing Chinese residents of selling information about the reclusive country to the U.S. and Chinese governments. Sources in North Korea say Chinese staff of businesses in the Rajin-Sonbong special economic zone also face tougher restrictions. In some parts of China, a growing number of companies are refraining from doing business with North Korean companies because there has been a rise in incidents where North Koreans lure Chinese investments but run off with the money. (*Chosun Ilbo*, "Chinese in N. Korea 'Face Repression,'" October 10, 2009)

10/11/09

Assistant SecState Kurt Campbell: "Q: And Kim Jong-il expressed his willingness to resume Six-Party Talks in his talking with the Chinese prime minister. What do you think about that? CAMPBELL: Well, we were pleased that the North Korean leadership underscored - **with some caveats that we're going to have to explore in greater detail** - but essentially reaffirmed the commitment to return to the Six-Party framework and to abide by some of the agreements that they have signed up for in the past. As you know, there is a very clear position on the part of the United States, in Japan, South Korea and China, that North Korea must accept its commitments made on several occasions to a nuclear-free Korean peninsula. Q: When will you start the bilateral talks with North Korea? CAMPBELL: No decision has yet been made, and we feel that we've learned important lessons about how it's critical to consult and to be very patient and cautious in our overall approach." (Kurt M. Campbell, Assistant Secretary, Bureau of East Asian and Pacific Affairs, Remarks upon Arrival in Japan, Narita Airport, October 11, 2009)

WikiLeaks cable "S E C R E T TOKYO 002377

SUBJECT: A/S CAMPBELL, GOJ OFFICIALS DISCUSS PM HATOYAMA'S  
COMMENTS ON U.S./CHINA/SOUTH KOREA

¶1. (S) Summary: EAP A/S Kurt Campbell underscored in his October 11-12 meetings with senior-level Japanese officials the U.S. Government's concern regarding Prime Minister Hatoyama's remarks during the October 10 Japan-China-ROK Summit in Beijing on U.S.-Japan relations. He strongly urged Japanese leaders not to seek to improve relations with other governments at the expense of the United States. He pointed out that public comments by U.S. officials that the U.S. Government ought to focus on China at the expense of Japan would lead to a crisis in bilateral relations. ¶2. (S) Parliamentary Vice-Minister Akihisa Nagashima assured A/S Campbell that Hatoyama did not mean to imply that Japan would seek to improve relations with China and South Korea at the expense of the United States. Ministry of Foreign Affairs (MOFA) Director General for Asia and Oceanic Affairs Akitaka Saiki noted MOFA's surprise at Hatoyama's comments, adding that the new Democratic Party of Japan (DPJ) Government was still in the process of organizing itself in the foreign policy realm. A/S Campbell pointed out to Saiki that

the U.S. Government was also concerned about Foreign Minister Okada's recent remarks indicating the exclusion of the United States from a new East Asian regional architecture. Saiki, acknowledging Okada's "stubbornness" on the issue, highlighted that MOFA officials deemed it "unthinkable" to exclude the United States. He asserted, however, that only China benefited if the United States and Japan were to debate membership in the East Asia Community (EAC) and that China would never allow for Japan to take the lead in creating the regional architecture. All Japanese interlocutors stressed to A/S Campbell the primacy of Japan's relations with the United States. In earlier meetings on October 11 with A/S Campbell, former Japanese Cabinet advisor Yukio Okamoto and MOFA Director General for North American Affairs Kazuyoshi Umemoto highlighted Hatoyama's personality shortcomings as a possible source for the problematic comments and urged that A/S Campbell raise the U.S. Government's concerns at higher levels. ¶3. (C) During October 11-12 discussions with senior-level Japanese officials, visiting EAP A/S Campbell repeatedly noted the U.S. Government's concern regarding public remarks by Prime Minister Hatoyama at the October 10 Japan-China-South Korea Summit in Beijing, in which he stated that Japan had focused excessively on its relations with the United States, as opposed to Asia. A/S Campbell observed that the U.S. Government supported the new Democratic Party of Japan (DPJ) Government in efforts to build a strong relationship with South Korea and China. He cautioned, however, that Prime Minister Hatoyama's comments in Beijing drew surprise from the highest levels of the U.S. Government. "Imagine the Japanese response if the U.S. Government were to say publicly that it wished to devote more attention to China than Japan," A/S Campbell asked his interlocutors hypothetically. Such remarks would create a crisis in U.S.-Japan relations, from which recovery would be difficult, he explained. He continued that the United States would continue to underscore its commitment to robust relations with Japan and would refrain from commenting publicly on Hatoyama's remarks. He nevertheless urged that Japanese leaders avoid phrasing their desire for better Chinese and South Korean relations at the expense of the United States. ¶4. (C) In his October 12 meeting with A/S Campbell, Ministry of Defense (MOD) Parliamentary Vice-Minister Akihisa Nagashima said the Prime Minister did not mean to imply that Japan should put more emphasis on China and South Korea than on the United States. Rather, Hatoyama solely intended to signal his intent to strengthen the Japan-China-South Korea trilateral relationship as an initiative going forward. Nagashima added that he wished to reassure U.S. officials that Japan did not aim to build East Asian relations at the expense of the United States. ¶5. (C) A/S Campbell expressed appreciation for Nagashima's assurances and noted that the Japanese government could take steps to demonstrate the closeness of U.S.-Japan relations. One "wonderful gesture" would be for the DPJ Government to invite to Japan U.S. veterans who had been involved in the World War II campaigns in Corregidor and Bataan. A decision by the Japanese government to welcome these veterans, most of whom were in their 70s and 80s, would have great significance in the United States and would demonstrate how far the two countries had come since the war, explained A/S Campbell. ¶6. (C) MOFA Director General for Asia and Oceanic Affairs Akitaka Saiki stressed that the Prime Minister's comments in front of the press had surprised MOFA, which believed that it was inappropriate to characterize Japan as excessively dependent on the United States. He explained to A/S Campbell that the DPJ Government was still in the process of organizing itself as to "who spoke on which issues." Saiki continued that U.S.-Japan

relations remained central and that the Japanese government did not intend to emphasize Asia at the expense of the Alliance. ¶7. (S) In his meeting with Saiki, A/S Campbell also cited U.S. concern at Foreign Minister Okada's recent remarks suggesting the exclusion of the United States from a new East Asian architecture. Saiki acknowledged that Foreign Minister Okada had been obstinate about not including the United States in such proposals. He offered his view as a MOFA bureaucrat, however, that "it was unthinkable to exclude the United States," adding that the participants to the trilateral summit had not discussed proposals for an East Asia Community in any detail. Okada, Saiki pointed out, was "only thinking five to ten years in the future about contiguous countries" when propounding EAC ideas. Hatoyama, for his part, aspired mainly to form a core of countries in East Asia with shared values. If the United States and Japan, however, were to debate EAC membership, only China would benefit, Saiki asserted. China, moreover, would never allow Japan to take the lead in creating an East Asian architecture. He recounted that when Chinese Premier Wen Jiabao had expressed interest in pursuing the EAC proposal through the ASEAN Plus 3 process, Hatoyama had countered that the "3 Plus ASEAN" would be a way for Northeast Asia to take the lead. Wen did not reply, noted Saiki. ¶8. (C) Later on October 12, Ministry of Foreign Affairs (MOFA) State Secretary Koichi Takemasa responded to A/S Campbell's points by noting that U.S.-Japan relations remained the basis of Japanese security policy. Takemasa observed that Hatoyama's comments were "mere lip service" to China, as the Prime Minister regards Japan's relations with the United States as "primary." He added, however, that Japan "had pride as a sovereign nation" and recognized that it must improve relations with China. ¶9. (S) In an October 11 discussion with A/S Campbell, former Japanese Cabinet advisor Yukio Okamoto said that the comments on China and South Korea showed that the Prime Minister was weak when speaking with strong-willed individuals. Okamoto added that the Prime Minister usually voiced his opinion based on the last strong comments he had heard. In a similar vein, MOFA DG for North America Kauyoshi Umemoto told A/S Campbell over lunch on October 12 that Prime Minister Hatoyama had "the habit of telling people what they wished to hear." He also confirmed that Hatoyama's remarks in Beijing had not been planned, and he recommended that A/S Campbell raise the U.S. Government's concern at higher levels. ¶10. (U) A/S Campbell has cleared this message. ROOS"

A survey of the Democratic Party of Japan's Lower House members has found that about 61 percent of respondents want Japan to leave the U.S. nuclear umbrella. While 58.3 percent said Japan should try to end its reliance on the U.S. nuclear arsenal in the future, 2.8 percent said they wanted Tokyo to do so immediately. In contrast, 28.4 percent said Japan should remain under U.S. nuclear protection. The Kyodo News survey was conducted on 308 members of the House of Representatives and drew responses from 211, or 68.5 percent, of them. (Kyodo, "Many in DPJ Want to Cut Links to U.S. Nukes," *Japan Times*, October 11, 2009)

10/12/09

Chun Hae-sung, a spokesperson at the Unification Ministry, said the government delivered a letter proposing working-level talks on October 14 at the North's border city of Kaesong to seek measures on preventing flooding of the Imjin River that runs along the western section of the inter-Korean border. Signed by Seoul's Land and Transport Minister Chung Jong-hwan, the letter was forwarded to Pak Song-nam, head of the

North's Ministry of Land and Environmental Conservation, Chun said. On a separate track, the South's National Red Cross announced that its head, Yoo Chong-ha, sent a letter to his Northern counterpart Jang Jae-on proposing talks on October 9 at the North's Mount Kumgang resort to explore ways to resume cross-border family reunions. "The area which we have proposed is on the family reunion events, and it would be inappropriate to speculate on other areas that may be discussed," Chun said when asked how Seoul would respond should Pyongyang demand Seoul's resumption of humanitarian aid. "We consider the family reunions our number one priority," the spokesman added. (Tony Chang, "Seoul Seeks Talks with North over Flood Prevention, Family Reunions," Yonhap, October 12, 2009)

North Korea fired five short-range missiles into the sea and declared a navigation ban in waters off its eastern and western coasts. The missiles were launched into the Sea of Japan off North Korea's eastern coast, Yonhap reported, quoting government sources. It said North Korea imposed a navigation ban for October 10-20. Yonhap said the missiles were surface-to-surface KN-02 rockets, with a range of up to 75 miles. The launches were the first since the North fired seven short- and medium-range missiles on July 4. The South Korean government said it could not confirm the Yonhap report. (Blaine Harden, "North Korea Fires 5 Missiles," *Washington Post*, October 13, 2009) Military sources in the South said the North fired five KN-02 short-range, ground-to-ground missiles. Two were reportedly fired in the morning and the remaining three in the afternoon. One defense source said the KN-02, which has a range of 120 kilometers (74.5 miles), was fired from a mobile launch pad between Musudan-ri, North Hamgyong and Wonsan, Gangwon on the northeastern coast of the peninsula. The source also explained that the North had issued a ban on ships navigating on the east and west coasts from October 10-20 ahead of the missile launches. (Yoo Jee-ho, "Officials Scramble to Understand Missile Launches," *JoongAng Ilbo*, October 14, 2009)

KCNA: "The DPRK will in the future, too, make every possible effort to ensure peace and security in Asian region including the Korean Peninsula. A delegate of the DPRK said this at the meeting of the First Committee of the 64th UN General Assembly held on October 12. He noted that the DPRK demands total and comprehensive elimination of nuclear weapons in the world. When the states with the largest nuclear arsenals take the lead in nuclear disarmament, it will positively influence the newly emerged nuclear weapons states in various parts of the world and also contribute to total elimination of nuclear weapons on this globe, he noted. ... If the Korean Peninsula is to be denuclearized, the U.S. should terminate its nuclear threat to the DPRK and definitely roll back its hostile policy toward the latter. Replacing the Korean Armistice Agreement with a peace arrangement is essential for peace and the reunification of the Korean Peninsula and peace and security in Northeast Asia and the rest of the world." (KCNA, "DPRK's Efforts for Peace in Korea Peninsula Reiterated," October 18, 2009)

10/14/09 *Rodong Sinmun* signed commentary: "Crowley, U.S. assistant secretary of State, recently blustered that the DPRK's denial of nuclear dismantlement would result in further isolation and more stringent sanctions. [It] dismisses this as shameless, preposterous and brigandish sophism as the nuclear issue on the Korean Peninsula is a product of the U.S. hostile policy toward the DPRK and its nuclear threat from A to Z. It was none other



than the U.S. that compelled the DPRK to have access to nuclear deterrent and, therefore, the U.S. is wholly to blame for the nuclear issue on the peninsula, the commentary says, and goes on: The denuclearization of the Korean Peninsula is, in essence, directly related to the U.S. drop of its hostile policy toward the DPRK and the former's removal of its nuclear threat. **In order to make the Korean Peninsula nuclear-free, it is necessary to make a comprehensive and total elimination of all the nuclear weapons on earth, to say nothing of those in and around South Korea. A prerequisite for global denuclearization is for the U.S., which tops the world's list of nuclear weapons, to cut down and dismantle them, to begin with. A peace accord should be concluded between the DPRK and the U.S. if the nuclear issue on the peninsula is to be settled.** The U.S. should roll back its hostile policy toward the DPRK and opt for the conclusion of the peace agreement as it would help clear the Korean Peninsula of the nuclear threat and ensure peace there. **The nuclear issue on the peninsula can be fundamentally settled only when the U.S. repeals its hostile policy toward the DPRK and replaces the Armistice Agreement with a peace accord and the whole Korean Peninsula and the rest of the world become nuclear-free.** (KCNA, "U.S. Entirely to Blame for Spawning Nuclear Issue on Korean Peninsula," October 14, 2009)

WikiLeaks cable: "C O N F I D E N T I A L SEOUL 001617 10/14/09

SUBJECT: RARE DPRK APOLOGY MAY SIGNAL START OF NORTH-SOUTH THAW ¶1. (C) During October 14 inter-Korean talks on flood prevention, the DPRK expressed regret for the deaths of six South Koreans caused by the unannounced release on September 6 of a huge amount of water from a dam just north of the DMZ. The Blue House moved quickly to characterize the North's condolence message as an official apology. Like the Blue House spokesman, our Ministry of Unification interlocutors underscored that the DPRK's rare expression of regret was an indication the North wants to improve relations with the South. The ROKG will likely "reward" the DPRK with a modest amount of food aid during Red Cross talks on October 16. Comment: **Pyongyang's expression of regret is an unusual development that underscores the seriousness of the DPRK's effort to improve relations with the South -- and presumably to attempt to break up unity among the other members of the Six-Party Talks.** Ironically, however, it may also be perceived by the Blue House as confirmation that its hard-nosed approach to Pyongyang is working. End Comment and Summary. ¶2. (SBU) Working-level delegations from both Koreas met October 14 in the Kaesong Industrial Complex (KIC) to discuss avoiding a repeat of the September 6 incident in which the North's unannounced release of water from a dam just north of the DMZ caused the deaths of six ROK citizens who were camping along the Imjin River. During a 100-minute morning session, the North Korean delegation expressed "regret" and conveyed its "deep condolences" to the families of the deceased, which the ROKG quickly characterized as an official apology. ¶3. (SBU) Following a brief afternoon session, Blue House spokesperson Park Sun-kyu said North Korea's condolences to the victims' families would be interpreted officially as reflecting Pyongyang's "will to improve relations with South Korea." The North also pledged to notify the South via fax if it again had to release water from the dam in an emergency. ¶4. (SBU) Echoing a point made by major media outlets here, contacts at the Ministry of Unification (MOU) underscored to us that the DPRK has only expressed "regret" seven times in the past 60 years. This move, therefore,

may signal a significant change of attitude for the DPRK in its dealings with Seoul, according to our MOU contacts. They also called our attention to an authoritative Rodong Shinmun story published October 14 which predicted improved inter-Korean relations and specifically called for full N-S cooperation on economic, humanitarian and cultural issues. Our MOU interlocutors added that the ROKG would likely "reward" the DPRK with a modest amount of food aid -- 10,000 tons corn, not rice -- during Red Cross talks on October 16. STEPHENS"

10/15/09 The government has decided against submitting a bill to allow inspections of cargo on flights and vessels traveling to and from North Korea to the upcoming extraordinary Diet session, scheduled to be convened on October 23. The now ruling DPJ had intended to pass a bill almost identical to the one prepared by the Aso Cabinet. However, the Social Democratic Party, one of the DPJ's coalition partners, had expressed a cautious stance toward the newer legislation. North Korea has recently shown flexibility about resuming the six-nation talks on dismantling Pyongyang's nuclear weapons development program. The DPJ took these factors into consideration and decided not to submit the bill to the next extraordinary Diet session. (*Yomiuri Shimbun*, "Government Won't Submit Bill on Inspecting N. Korea Cargo," October 15, 2009)

KCNA: "The Navy Command of the Korean People's Army released the following report October 14 in connection with the south Korean military warmongers' unceasing serious military provocations in the waters on the extension of the frontline in the West Sea of Korea: On October 12 alone the warmongers infiltrated 16 warships into the territorial waters of the north side south of Kuwol Peak in Ssanggyo-ri, Kangryong County, South Hwanghae Province on 10 occasions, asserting that fishing boats of the north side "intruded" into their waters despite the fact that they were engaged in routine fishing operations. The reckless military provocations by warships of the south Korean navy have created such a serious situation that naval clash may break out between the two sides in these waters. Such military provocations have escalated since mid-September, bringing the daily average of such cases to 3-4 in October. The DPRK side informed the south side over international ultra shortwave walkie-talkie of the fact that the fishing boats of the north side were engaged in routine fishing operations in its territorial waters for the purpose of settling the dangerous situation and ensuring security in the waters and strongly demanded the south side withdraw warships of its navy without delay. The warships of the south Korean navy, however, threatened to take "tough countermeasures" unless the fishing boats sail northward, an act reminding one of a chief crying "Stop the thief!" The gravity of the situation lies in that they are seeking an ulterior intention to defend the illegal "northern limit line" under the pretext of "checking fishing boats." The KPA Navy will neither allow the south Korean military authorities' any slightest attempt to keep the bogus line of no legal validity as an extension of the Military Demarcation Line in the sea nor remain an on-looker to their attitude. The south Korean military authorities' intrusion of warships into the territorial waters of the north side is part of their premeditated moves to deliberately escalate tension in the waters, a hotbed of conflict, and deteriorate the north-south relations once again. It is clear to everyone what consequences the third skirmish in the West Sea

of Korea will entail. The warmongers of the south Korean military should stop their rash acts and put an immediate halt to the intrusion of their warships into the territorial waters of the north side. They should bear in mind that warnings are bound to be followed by actions. (KCNA, "Halt to Intrusion of S. Korean Warships in to DPRK Waters Demanded," October 15, 2009)

Tokyo prosecutors are using accounting and other documents concerning the Hatoyama family's assets to check the prime minister's assertion that his own money was used in a fake donation scandal. Rokko Shokai, a company that manages the assets, voluntarily handed over the information to the prosecutors' office, sources close to the investigation said. Fake names, including those of the dead, were listed as individual donors in the political fund reports of Prime Minister Yukio Hatoyama's fund management organization, Yuai Seikei Konwa-kai, from 2005 through 2008. Hatoyama has explained that an aide, under pressure to increase individual donations, was solely responsible for the scandal. **Hatoyama said the "donations" consisted of his personal funds that he had entrusted to the now-dismissed aide in case his political funds ran out.** After the scandal surfaced this year, Hatoyama deleted donations worth 21.77 million yen from the political fund reports for 2005 through 2008, saying about 90 false names, including those of the deceased, had been listed. The reports now list the money as part of Hatoyama's loans to Yuai Seikei Konwa-kai. (*Asahi Shimbun*, "Prosecutors Check Documents on Hatoyama's Family Assets in Donation Scandal," October 15, 2009)

The Rev. Franklin Graham, son of evangelist Billy Graham has left North Korea after a three-day trip. The visit marked the first by a representative of an American aid agency since March, when North Korea began refusing American food shipments and booted out all U.S. aid groups. Graham, who heads relief agency Samaritan's Purse, was in North Korea to oversee the delivery of \$190,000 in equipment and supplies for a new dental school there. (Associated Press, "Billy Graham's Son Ends Aid Trip to North Korea," October 15, 2009) U.S. evangelist Franklin Graham, who was in North Korea this week to organize food aid, told Kyodo that Pyongyang was very positive about holding talks with Washington. "The invitation has been extended," Graham said, quoting a North Korean official. (Reuters, "North Korea Invites U.S. Envoy for Talks: Report," October 16, 2009)

Recent signs of improved inter-Korean relations are due to coinciding interests of the two Koreas. Prof. Lee Jo-won Chungang University said, "North Korea needs better inter-Korean relations prior to bilateral talks with the United States and multilateral nuclear talks with other countries, because the regime's future depends on them. South Korea will be able to reduce domestic ideological conflict by managing inter-Korean relations at an adequately friendly level." A Cheong Wa Dae official said, "Because it has signed up to international sanctions against the North, the government won't hasten to improve inter-Korean relations." He said the North would have proposed high-level talks instead of Red Cross talks on food aid if the South was offering the 300,000-400,000 tons annual aid previous administrations provided, instead of some 10,000 to 30,000 tons now being considered. (*Chosun Ilbo*, "Inter-Korean Relations Show Sign of Thaw," October 15, 2009)

The National Council of Churches in Korea, a Seoul-based umbrella organization, said its leaders will meet with their North Korean counterparts from the Korean Christian Federation on the sidelines of the October 21-23 meeting in Hong Kong. The international event aimed at promoting reunification of the Korean Peninsula is hosted by the World Council of Churches, an ecumenical Christian organization. "We are going to discuss various ways of expanding exchanges between the Christian communities of the South and the North," an official at the South Korean council said. Ahead of the event, WCC's leaders will visit North Korea October 17-21. The delegation, led by the council's general secretary, Rev. Samuel Kobia, will meet with government officials and participate in a worship service at Pongsu Church in Pyongyang, the world council said on its Web site. The visit may involve humanitarian aid to the North, it said, adding the WCC has been supportive of the North Korean churches' social welfare operations. (Yonhap, "Christian Leaders from 2 Koreas to Meet in Hong Kong," October 16, 2009)

10/14-16/09 The two Koreas failed to produce an agreement on the resumption of cross-border family reunions, with the North linking it to the provision of humanitarian aid. Pyongyang demanded Seoul provide humanitarian aid in exchange for the resumption of reunions. In response, the South responded that it would "consider" the proposal. An official of the Ministry of Unification said, "The North wasn't specific about aid items or amount, but wanted the South to be generous." (Kim Se-jeong, "Koreas Fail to Agree on Family Reunions," October 16, 2009) During hour-and-a-half long working-level talks on October 14 the Koreans held in Kaesong, the North expressed "regrets" over the deaths of six South Koreans caused by its abrupt discharge of dam water last month. The North also expressed "deep condolences" to the victims' families, the official from the Unification Ministry said at a background briefing. "Literally speaking, the North expressed regrets and condolences," the official said, "But in the general context, we think it's an apology by North Korea with regard to this incident." Cheong Wa Dae welcomed the North's remarks as a "considerably positive signal." The expressions "showed its willingness to improve relations with us," Park Sun-kyoo, spokesman for President Lee Myung-bak, said in a briefing. (Kim Hyun, "North Korea Apologizes for South Korea Deaths from Dam Discharge: Seoul Official," Yonhap, October 14, 2009) "The talks will become a turning point in inter-Korean relations," said Yang Moo-jin, a professor at the University of North Korean Studies in Seoul. "In that sense, the North's missile tests are significant in their timing." "North Korea is blowing hot and cold, taking both conciliatory and hard-line gestures to force its opponents to decide," Yang said. "The North sees the United States dither in starting bilateral talks with it, so by launching and preparing missiles, it is offering a reminder of why it needed to be engaged." (Choe Sang-hun, "Two Koreas to Talk about Non-Military Matters," *New York Times*, October 14, 2009, p. A-6) The officials have also denied speculation that the South has already prepared a massive rice aid package. In a forum on October 15, Unification Minister Hyun In-taek said any discussion of rice aid would depend on the results of the Red Cross talks. The Unification Ministry official said neither side surprised each other with unexpected demands during the talks. "Both the South and the North delegations were talking within reasonable boundaries, as far as the agenda is concerned," the official said, asking for anonymity. (Yoo Jee-ho, "Two Koreas Fail to Agree on New Round of Reunions," *JoongAng Ilbo*, October 17, 2009) "In the current situation, it's difficult to

provide large-scale aid," the high-level official at the Unification Ministry told reporters at an informal meeting. "The government will consider (small-scale) assistance for vulnerable groups there like infants and children." Large-scale rice and fertilizer aid "goes beyond the boundary of purely humanitarian assistance," the official said. "In the current situation, to provide aid at such a level is far from the government's policy principle toward North Korea." (Yonhap, "Government Sees No Large-Scale Aid for North," October 18, 2009) At around 9:00 p.m., on October 17, 2009, Yim Tae-hee, then-Labor Minister under the Lee administration, had a secret meeting with Kim Yangkon, a department director of the Central Committee of the Workers' Party of North Korea, at the St. Regis Singapore Hotel in Singapore City. Yim was a special envoy of President Lee, and the purpose of the meeting was to discuss six topics regarding the third inter-Korean summit. A former senior Blue House official who also attended the meeting told *JoongAng Ilbo* that both sides reached a decision to discuss some remarkable issues at a third summit, which was to be between President Lee and then-leader Kim Jong-il, including repatriation of some South Korean POWs taken during the 1950-53 Korean War. "At the time, the North Korean side showed a positive attitude in discussing its nuclear weapons program, which they had refused to talk about previously," the official said. "So both sides reached an agreement that they would make more progress on that issue at an upcoming third summit than the accomplishments made at the former six-party talks." "One of the possible topics for a third summit was repatriation of the South Korean POWs, who numbered less than 10," the official continued. "The negotiation was not like money-for-talk, [where the South gives money to have a dialogue with the North, as in the past]. We agreed to support the North step-by-step, in response to their actions, which was different from the first and second summits [by former the administrations]." Right before Envoy Yim was about to sign the agreement for the talk, the South Korean government ordered him to stall for time and earn more bargaining leverage. "Before making the final agreement in Singapore, Yim returned to Seoul and gave a briefing on the negotiation to the president and his core aides," another government official who was aware of the situation at the time, said. "However, some of the president's hawkish aides told the president to take more time before the final negotiation. "They argue it would be advantageous for the South, because the North was at risk of dire starvation," the official said. "And the president accepted it." Finally, Yim followed the order, but he persuaded his North Korean counterpart, Kim, to have additional discussions before the final agreement. They had two more meetings in Kaesong city, on November 7 and 14, respectively, but the negotiation for the third summit finally failed. Yim also confirmed that was true in an interview with weekly magazine *Shindonga*. "Then-Unification Minister Hyun In-taek told me to 'raise the number of POWs [released to the South] up to 20,'" Yim said. "The Unification Ministry wanted more, but the North already thought the negotiation had failed." However, Chun Yung-woo, then-presidential secretary for foreign affairs and national security, said that allegation is not true. He said the cause for the failed negotiation was Pyongyang demanded too much money in exchange for the summit. "There was enormous demand [from Pyongyang], along with assistance worth 500 million won [\$448,671]," Chun told *JoongAng Ilbo*. "But I can't tell you more now." Some critics say that the Lee administration missed a good opportunity to improve inter-Korean relations, because they adhered to differentiating their policies from those of the

former administrations. Another criticism over the Lee administration's strategy is that Lee considered the North Korean regime beneath the South administration. In this sense, Lee decided not to offer any assistance to the North unless the North begged for it first. "North Korea thought they made concessions in the negotiation, but the South demanded more, which upset them," Moon Chung-in, a politics professor at Yonsei University, said. "So they decided to become a nuclear-armed country, so that they wouldn't be less powerful than the South." When late leader Kim Jong-il collapsed from a stroke in August 2008, the Lee administration thought the North would beg for aid soon, sources said. At the time, a senior Blue House official told Lee that "the North would kneel down in front of us if we don't provide food for them for about a year." But that prediction was wrong. (Ahn Chang-hee and Kim Hee-jin, "When MB Botched a Meeting with Kim Jong-il," *JoongAng Ilbo*, March 30, 2013) A key aide to President Lee Myung-bak has admitted to a secret meeting with a top North Korean official in Singapore in 2009 to seek a summit between their leaders. Yim Tae-hee said in a television interview that he met with Kim Yang-gon, North Korea's point man on the South, in Singapore in October 2009 to discuss details of a possible summit. When asked if he had met Kim more than three times, he said "several times," though he did not clarify whether those meetings were all in Singapore or in other countries. Yim said he and Kim drafted a memorandum of understanding for a summit, which called for economic aid from South Korea to the North in return for the repatriation of some South Korean abductees and soldiers taken as prisoners during the 1950-53 Korean War. He said he explained South Korea's food and other assistance to the North in response to North Korea's humanitarian gesture to the issues of abductees, prisoners of war and families separated during the war. South Korea estimates about 517 civilians are still alive in the North after being kidnapped by the North following the Korean War. It also believes about 500 South Korean soldiers taken prisoner during the war are still alive in the North. South Korea has repeatedly called for the repatriation of its nationals but Pyongyang denies any kidnappings, claiming any South Koreans in the North are there voluntarily. Yim also said he discussed with Kim how to recover the remains of South Korean soldiers killed in the North during the war, which ended in a cease-fire, not a peace treaty. South and North Korean officials held two follow-up talks in the North Korean border city of Kaesong in November 2009, but failed to reach an agreement on the summit due to unspecified differences. (Yonhap, "Lee Confidant Admits to Secret Meeting with N.K. Official in 2009," June 21, 2012) North Korea secretly sought to arrange an inter-Korean summit in return for large-scale economic aid when he was in office, says former President Lee Myung-bak. In an extract of his forthcoming memoir released to the media, Lee claims that Pyongyang requested Seoul to arrange a summit through correspondence from its officials as well as through former Chinese Prime Minister Wen Jiabao. The memoir, titled "The President's Time," will be published on February 2. Lee wrote that all negotiations failed because he would not comply with demands from then-North Korean leader Kim Jong-il that a summit take place on basis of preconditions being met. According to Lee, the North Korean leader proposed that the summit be arranged through a message delivered secretly in August 2009. Lee dispatched then Labor Minister Yim Tae-hee, a confidant of Lee, to Singapore in September 2009 to meet Kim Yang-gon and discuss related issues. Kim Yang-gon heads the United Front Department (UFD), which is Pyongyang's main policymaker on inter-Korean issues.

Lee claims that Pyongyang demanded Seoul supply 400,000 tons of rice, 100,000 tons of corn, and 300,000 tons of fertilizer. He stated that the impoverished regime also asked for petroleum tar worth \$100 million for road construction and \$10 billion in cash to set up a state-run bank for economic development. According to Lee, then Chinese Prime Minister Wen Jiabao hinted at Kim Jong-il's desire for an inter-Korean summit in October 2009 during an ASEAN+3 meeting in Thailand. The ASEAN+3 meeting involved 10 ASEAN member countries plus South Korea, China and Japan. In November 2009, the repressive state reiterated its demand for economic aid during a meeting between working-level officials from the Ministry of Unification and their North Korean counterparts in Gaeseong, a border city in the North. Pyongyang adopted a slightly different tactic in July 2010 in the wake of the North's sinking of the Cheonan according to Lee. The military regime asked for 500,000 tons of rice in return for accepting demands from the Lee government to make an apology for the deadly incident. In December 2010, Pyongyang secretly sent a four-member delegation to visit Seoul and "made noticeable progress" toward a summit, according to Lee. However, the delegates, including two high-ranking military officials, were executed for unknown reasons in 2011, Lee wrote, citing sources in Washington and Beijing. The negotiations continued in 2011 in both Beijing and New York but instead, the two Koreas clashed over the sinking of Cheonan, Lee stated. Former ambassador to China Kim Ha-joong wrote in his memoir that Kim Jong-il rejected U.S. offer to visit Washington in December 2000. (Whan-woo, "Former President Claims N.K. Sought 'Cash-for-Summit,'" *Korea Times*, January 29, 2015) In a telephone interview on February 2, a source familiar with North Korea who was deeply involved in these negotiations said, "North Korea told us they wanted to set up a financial institution similar to South Korea's development bank [KDB], and they asked us to help them. But this was not a precondition for holding a summit." "Since it would have been hard for us to help North Korea set up the bank without American help [given the great amount of capital required], the idea was that we would help North Korea raise funds internationally if the summit was held. If North Korea had kept making such absurd demands, discussion of the summit probably wouldn't have continued through 2011," the source said. During an interview with a monthly magazine in February of last year, former Labor Minister Yim Tae-hee, who took part in behind-the-scenes negotiations with North Korea in Singapore in October 2009, was asked about rumors floating around that Pyongyang had wanted compensation for a summit. "If North Korea had made that kind of request, President Lee would never have allowed the negotiations to go on. The fact is that Kim Yang-gon, Minister of North Korea's United Front Department, never made such a request," Lee said, strongly denying such rumors. The claims made by Kim and in Lee's memoirs are based on ignorance about North Korea's negotiation strategy, some experts say. "North Korea's strategy is to make the most extreme demands during the early phase of defining the agenda for the talks and then back off later. But South Korea tends to make more reasonable demands up front because of public pressure to achieve its goals," said one government official who was frequently involved with negotiations with North Korea. The very fact that the Lee administration took the extreme demands that North Korea made initially at face value illustrates the administration's faulty understanding of the North. In addition, the other forms of aid requested by North Korea - 100,000 tons of corn, 400,000 tons of rice, 300,000 tons of fertilizer, and so on - were to be received in exchange for granting

South Korean requests such as allowing South Korean abductees and prisoners of war to visit South Korea, the source familiar with North Korea emphasized. Consequently, these experts say, North Korea's demands were not so much a precondition for the summit meeting as they were part of the process of hammering out the agenda items for that meeting. In addition, the memoirs do not mention the weaknesses of the Lee administration's intelligence assets in North Korea. Until corrected by the Chinese Foreign Ministry, the Lee administration mistakenly assumed that it was not Kim Jong-il, but Kim Jong-un, who was visiting China in May 2011. And when Kim Jong-il died in December of the same year, the Lee administration was completely in the dark about it for 51 hours and 30 minutes. In short, figures from the Lee administration are focusing solely on North Korea's excessive demands while concealing their own failures. (Yi Yong-in, "Experts Say Lee MB's Memoir Claims ZAre of Questionable Accuracy," *Hankyore*, February 3, 2015)

- 10/16/09 "The State Department has decided to authorize the issuance of visas for Ambassador Li Gun and his delegation to attend conferences in the United States in late October," department spokesman Ian Kelly said in a statement. Li, director general of the North American affairs bureau of North Korea's Foreign Ministry, has been invited to the Northeast Asia Cooperative Dialogue at the University of California, San Diego and a seminar in New York hosted by the National Committee on American Foreign Policy and the Korea Society, Kelly said. A high-ranking State Department official said Washington plans to arrange an informal meeting between Sung Kim, U.S. special envoy on the six-way talks, and Ri on the sidelines. Saiki Akitaka, director general of the Japanese Foreign Ministry's Asian and Oceanian Affairs Bureau, who is visiting Washington, was told by senior U.S. officials Friday that the United States is weighing the timing of formal bilateral talks with North Korea, with the date and venue for them still up in the air, a Japanese official said. (Kyodo, "U.S. Grants Visa to N. Korean Diplomat for Late October Visit," October 17, 2009)
- 10/18/09 FM Okada Katsuya said in a speech in Kyodo, "Hitherto, the Japanese government has said to the U.S., 'We don't want you to declare no first use because it will weaken nuclear deterrence.' owever, it cannot be said to be consistent to call for nuclear abolition while requesting the first use of nuclear weapons for yourself." (Okada Katsuya, "Remarks aon Japan-U.S. Relationship in a New Era," Kyodo, October 18, 2009, quoted in Takubo Masa, "The Role of Nuclear Weapons: Japan, the U.S. and 'Sole Purpose,'" *Arms Control Today*, November 2009, p.15)
- 10/19/09 South Korean FM Yu Myung-hwan said the North's new nuclear program is "very worrisome" and said he believes the issue could be separately discussed at the United Nations. He did not elaborate. North Korea has been reaching out to Seoul and Washington in recent months after months of raising tensions over its nuclear and missile programs, though it conducted short-range missile tests and warned of a naval clash with the South last week. Yu was skeptical about North Korea's conciliatory gestures. "There are no real grounds as yet to determine what this softening stance means and if that indicates a fundamental change in its position in the nuclear issue," Yu told a Seoul forum. Yu said North Korea must first take "substantial" disarmament



measures and promptly return to stalled six-party talks. (Hyung-jin Kim, "Seoul's Top Diplomat Urges N. Korea to Disarm," Associated Press, October 19, 2009)

Seoul appeared unwelcoming towards possible high-profile talks with North Korea, including a summit without any discussion on the North's denuclearization. The U.S. presidential office joined Seoul yesterday in denying a U.S. Defense Department official's remark that North Korean leader Kim Jong-il invited President Lee Myung-bak to Pyongyang for a summit. A senior Pentagon official spilled the beans to reporters on October 15 ahead of Secretary Robert Gates' visit to Seoul that Kim expressed his willingness to invite Lee through Chinese PM Wen Jiabao. "Now suddenly we reached a charm phase with North Korea, with Kim Jong-il inviting Lee Myung-bak of the Republic of Korea to visit Pyongyang, with (Premier) Wen Jiabao from China going to visit Pyongyang," the Pentagon official said. South Korean presidential office spokesman Lee Dong-kwan immediately denied the remark, saying there was no summit proposal, and that there may have been a misunderstanding within the U.S. administration. The confusion led Cheong Wa Dae to explain that the North Korean delegation to the Kim Dae-jung funeral did mention a possible summit when they met with the president in August, but that it was not made public due to questions over the North's strategic intentions. A senior White House official said yesterday the Defense Department official's words stemmed from misunderstanding, saying "there was no specific invitation to President Lee." Pentagon spokesman Geoff Morrell said October 17, "The government of President Lee Myung-bak is on record as expressing its longstanding willingness in principle to hold talks with North Korea, including at the level of the two leaders, in order to promote denuclearization of the Korean Peninsula." He said, "Any decision regarding possible talks between South and North Korea, however, would be made by the Republic of Korea." (Kim So-hyun, "U.S. Denies Summit Proposal from N.K.," *Korea Herald*, October 20, 2009) In response to feelers put out by the North in recent months, Lee has made it clear he does not want a meeting just for meeting's sake. "President Lee is resolute in his stance that he will not go to Pyongyang to hold a summit" an official at the presidential office said October 20. "The venue is a very sensitive issue for us. Looking at the president's official comments made since his inauguration about an inter-Korean summit, he has said he is willing to hold one 'at any time' but not 'at any time and any place' as was the position of previous administrations. This is an important point." (*Chosun Ilbo*, "Location Seen As Key to Inter-Korean Summit," October 21, 2009)

10/20/09

Goldberg: **Q:** Do you think China is living up to the spirit of the sanctions against North Korea? Because we just saw Wen Jiabao visit North Korea and I believe he signed some agreements, though we haven't really seen the details of these agreements. **GOLDBERG:** Well, I would say that we haven't seen the details. I would recommend that that is a question better directed to the Chinese government than to me. What we want to do is assure that the resolutions are implemented and on that we're working closely and cooperatively. We are focused on the nuclear missile and proliferation activities from North Korea, targeting those entities and individuals involved in those programs, and that process continues, all with the overall aim of returning to a multilateral discussion of denuclearization. And that's where we're hoping to go. (Ambassador Phillip Goldberg, Coordinator for Implementation of UN Resolution 1874, Afternoon Walkthrough in Beijing, October 20, 2009)

10/21/09

The United States will never have normal, sanctions-free ties with a nuclear-armed North Korea, Secretary of State Hillary Clinton said. "Current sanctions will not be relaxed until Pyongyang takes verifiable, irreversible steps toward complete denuclearization," Clinton said in a speech hosted by the United States Institute for Peace. "Its leaders should be under no illusion that the United States will ever have normal, sanctions-free relations with a nuclear-armed North Korea," she added. "We are prepared to meet bilaterally with North Korea. But North Korea's return to the negotiating table is not enough." (Reuters, "U.S. Will Never Have Normal Ties with Nuclear N. Korea," October 21, 2009) Clinton at USIP: "Within the framework of the six-party talks, we are prepared to meet bilaterally with North Korea, but North Korea's return to the negotiating table is not enough. Current sanctions will not be relaxed until Pyongyang takes verifiable, irreversible steps toward complete denuclearization. Its leaders should be under no illusion that the United States will ever have normal, sanctions-free relations with a nuclear armed North Korea." (DoS text)

In South Korea for annual Security Consultative Meeting SecDef Robert Gates said the threat posed by North Korea has become "more lethal and destabilizing" as it continues to pursue nuclear arms and missiles while spreading related knowledge. "The peril posed by the North Korean regime remains, and in many ways, has become even more lethal and destabilizing," Gates told a group of U.S. and South Korean soldiers in Seoul. "Ironically, even as the capability of their ground forces continues to degrade, their missile development and nuclear programs are increasingly dangerous." Gates also said, "The U.S. is committed to providing the extended deterrence using the full range of American military might -- from the nuclear umbrella to conventional strike and missile defense capabilities." Gates affirmed the transfer of the wartime operational command of South Korean troops from Washington to Seoul will occur as planned in 2012, calling it "the culmination of a series of shifts towards greater responsibility." Gates met with his Japanese counterpart, Toshimi Kitazawa, this morning in Tokyo. "For most of the Cold War, security and stability in the Pacific Rim were provided by a series of bilateral alliances between the U.S. and our closest allies," he said. "But what we are seeing more of, and would like to encourage, is more security cooperation among our traditional allies and with our partners in the region." (Sam Kim, "N. Korea 'More Lethal' As It Continues Nuclear Pursuit, Proliferation: Gates," Yonhap, October 21, 2009)

10/22/09

The government envisions submitting a bill to parliament to enable the Japan Coast Guard to inspect ships suspected of carrying banned cargo to and from North Korea, most likely without the involvement of the Self-Defense Forces, government sources said. The Social Democratic Party, a minor coalition partner in the Democratic Party of Japan-led government, opposes SDF involvement in such inspections. "Basically, this is about inspecting North Korean ships, so the Japan Coast Guard can sufficiently deal with it," PM Hatoyama said. "Therefore, there is no need to consider things about the SDF now or in the future." (Kyodo, "Government Eyes N. Korea Cargo Inspection Bill without SDF Involvement," October 22, 2009)

North Korea's abusive treatment of its citizens, which has long been a secondary concern in diplomatic circles to the pursuit of nuclear weapons, will undergo increasing scrutiny in coming weeks as a high-profile review at the United Nations approaches.

Diplomats in several countries and prominent human-rights organizations are revising data on atrocities in North Korea and preparing questions for its officials, who will go before the U.N. Human Rights Council on December 7. "Nobody pays attention to the importance of the existence of these camps," Heo Man-ho, a South Korean law professor, said at a discussion with foreign diplomats in Seoul this week. But that may change with the review as other countries will be allowed to question North Korean leaders. "No matter what goes on with the nuclear issue, this review is going to happen and more attention will be paid," said Richard Cowin, a British diplomat. The researchers did find one improvement: a decree by Mr. Kim in 2004 to stop prison torture has apparently taken effect. Defectors who have reached South Korea in recent years have increasingly reported torture is less common, though beatings and sexual harassment remain a daily fact of life for prisoners. "The use of torture has been reduced," says Bang Sang-hee, a researcher for Citizens Alliance for North Korean Human Rights, a Seoul-based organization. "But the inhumane treatment of people, in particular the degradation of women, continues." (Evan Ramstad, "North Korea Faces Scrutiny over Human Riights," *Wall Street Journal*, October 22, 2009)

10/23/09 South and North Korea plan to hold a high-profile meeting in a third country soon to discuss summit prospects, a government source said yesterday, following news reports that preliminary talks were held last week. "There have been disagreements over the venue (of the summit) at the recent working-level contact, but inter-Korean meetings will be continued," the informed source said. "Under present circumstances, a summit could be possible next year." Another government source said that although the two sides shared major differences, the summit, if realized, is likely to take place after the (South's) local elections in June. (Kim So-hyun, "Senior Officials to Discuss Korea Summit," *Korea Herald*, October 24, 2009) South Korea is in consultation with North Korea for a summit anytime soon and will not do so unless assured that a meeting between their leaders would produce significant progress, a senior official from Seoul's presidential office Cheong Wa Dae said. "I stress again it is our government's unchanging stance that we will not hold an inter-Korean summit that will simply end in a meeting of the leaders," Lee Dong-kwan, top public relations secretary to South Korean President Lee Myung-bak, told reporters in Thailand where Lee is attending an ASEAN forum. (Byun Duk-kun, "Seoul Will Not Hold 'Meaningless' Summit with N. Korea," October 24, 2009)

South Korea plans to limitedly resume humanitarian aid to North Korea in the near future. "I'm aware that the North is going through a food shortage. A minimum amount of humanitarian aid will be initiated in the near future," Unification Minister Hyun In-taek told lawmakers during the parliamentary audit of his ministry's affairs. (Tony Chang, "Seoul to Resume Minimum Humanitarian Aid," October 23, 2009)

10/24/09 U.S. and North Korean officials met to discuss ways to bring Pyongyang back to the stalled six-party nuclear disarmament talks, the first direct bilateral contact since the U.S. administration of President Barack Obama was launched in January. The meeting was held at the U.S. office of the United Nations in New York between Sung Kim, U.S. special envoy to the six-party talks, and Ri Gun, director general of the North American affairs bureau of North Korea's Foreign Ministry. "Ambassador Ri Gun has traveled to the U.S. on the invitation of U.S. private organizations. During his visit, Ambassador Sung Kim

took the opportunity to meet with him in New York...to convey our position on denuclearization and the six-party talks," DoS spokesman Noel Clay said in a statement. (Kyodo, "U.S. N. Korean Officials Meet in N.Y. over 6-Way Talks," October 24, 2009) Ri Gun, the North's number two nuclear envoy, "largely listened to the U.S. stance" on the issues in his one-hour meeting with Sung Kim, U.S. special envoy on the six-party talks, and reported it to his government, FM Yu Myung-hwan told lawmakers in Seoul. Arriving at a San Diego airport on October 25, Ri only told reporters, "Let's see afterward." (Lee Chi-dong, "N. Korea 'Listened' to U.S. Position in First Talks: Seoul Minister," October 26, 2009)

10/25/09

The Hatoyama administration is considering trying to get the United States to agree to hand over to Japan military personnel suspected of committing a crime but prior to indictment whenever Tokyo wants, government sources said. The proposed revision in the Status of Forces Agreement, which governs operations and legal arrangements of the U.S. military in Japan, goes a step further than current special arrangements in which servicemen can be handed over to Japan before a formal indictment only in cases of murder and other extremely serious crimes. The United States has rebuffed similar requests of this kind to beef up the SOFA, citing Japan's lack of full video and audio recordings of interrogations. To convince the U.S to agree to the change, the administration will emphasize that it is working out legislation to ensure full recordings when suspects are questioned, the sources said. "The United States views that the Japanese way of questioning (suspects) disregards human rights, so there is a need for Japan to make efforts to ensure (transparent) questioning through full audio and visual recordings, and the Hatoyama government is working in that direction," one of the sources said. (Kyodo, "Hatoyama Eyes Tougher U.S. SOFA," *Japan Times*, October 26, 2009)

The DPJ won two Upper House by-elections, in Kanagawa and Shizuoka prefectures, the first national-level races since Prime Minister Hatoyama took office last month, Kyodo projects. (Kyodo, "DPJ Wins Two Upper House Seats," *Japan Times*, October 26, 2009)

Unification Ministry Spokesman Chun Hae-sung said that the government is ready to send 10,000 tons of corn, 20 tons of milk powder and various medical supplies to North Korea. He describes the offer as a humanitarian operation targeted at the most vulnerable North Koreans, including children and pregnant women. The humanitarian gesture is a tiny fraction of what previous governments extended to Pyongyang. North Korea has not yet formally accepted the aid, but is seen as likely to do so. (Kurt Achin, "South Korea Offers Humanitarian Aid to North," *VOA*, October 26, 2009) South Korea offered to ship 10,000 tons of corn to North Korea in what would be the first such government-financed aid in nearly two years. The offer is far smaller than what South Korea used to ship – 500,000 tons of rice and 300,000 tons of chemical fertilizer – to help the North make up its yearly food shortages of up to a million tons. Lee's small offer of aid suggested that he was seeking a way to respond without diminishing the impact of the sanctions or repeating what Lee had called a critical mistake of his liberal predecessors: coddling the rigid and secretive North Korean government with large aid. In a message to the North, the South Korean Red Cross Society said it was willing to

provide the corn, as well as 20 tons of powdered milk and medical supplies. The package will cost 4.1 billion won, or \$3.5 million, officials said. "It's difficult to say 10,000 tons are enough considering the North's food shortages, but North Korea did not specify the size or items when it asked for humanitarian assistance," said Chun Hae-sung, a spokesman of the Unification Ministry, responsible for South Korea's dealings with the North. "Regarding additional assistance, there is nothing we're considering." (Choe Sang-hun, "South Korea Offers Food Aid to North," *New York Times*, October 27, 2009) South Korea's offer of 10,000 tons of corn in food aid to North Korea is just one-tenth what the communist state asked for. Seoul also demanded that its aid be sent to a specific famine-hit area, *Dong-A Ilbo* quoted an unidentified government official as saying. The Seoul official told *Dong-A*: "The North was very perplexed by the South's offer to ship 10,000 tons of corn in response to the North's request for 100,000 tons of rice in aid at the working-level talks. The North may have had its pride hurt, but it cannot but accept the South's offer due to its worsening food shortages." The official said the South also demanded that its corn be shipped to the northeastern province of North Hamkyong, which had been severely hit by a cold spell and a consequent bad harvest. "To secure transparency in aid distribution which had been at issue, we presented for the first time a place where it should go," the official said. (AFP, "Seoul's Aid Offer One-Tenth of N. Korea's Request: Report," October 29, 2009)

10/26/09 North Korea has completed the construction of its largest and most sophisticated missile base on the west coast, laying the groundwork for improved intercontinental ballistic missiles, senior officials here said. About three times larger than the Musudan-ri site where North Korea launched a long-range rocket in April, the Dongchang-ri base, has been under construction for several years. "The construction is as good as finished," one South Korean official said. "The necessary facilities are all there" Another official said North Korea has been testing missile parts such as boosters at the site about 200km northwest of Pyongyang and only 70km west of the main nuclear complex in Yongbyon. "It's a leap in North Korea's ballistic missile development," the official said, adding the construction ended "only recently." (Sam Kim, "N. Korea Completes Construction of Top Missile Base: Officials," October 26, 2009)

In a bid to ease concerns in Washington that Tokyo has plans to create an exclusive regional bloc, PM Hatoyama Yukio told a summit meeting of the ten Association of Southeast Asian Nations (ASEAN) over the weekend that the Democratic Party of Japan-led government held a long-term vision for the regional grouping, but "the Japan-U.S. alliance remained the axis of (Japan's) foreign policy." For this reason, he announced, he would invite the United States to participate. On October 24, he said he hoped to create a regional grouping centering on an economic, political and regional security community the ASEAN members plan to build by 2015. (Kagenishi Haruko, "place for U.S. in Regional Bloc: DPJ," *Asahi Shimbun*, October 26, 2009)

Wikileaks cable: Monday, 26 October 2009, 00:33 see 9/29/09

10/27/09 The Unification Ministry assigned an affiliate think tank last year to conduct a research on the German "freikauf" program and how South Korea should apply it for its own use. Between 1963 and 1989, West Germany brought back some 31,700 political prisoners from East Germany by

paying some 3.4 billion German marks, or about \$51,000 per person. The entire process was highly confidential, with the church, instead of the West German government, negotiating for repatriation. The Korea Institute of National Unification advised in the report that the Korean version of freikauf, dubbed "K-freikauf," should be carried out under tight security as the North officially does not recognize that it is holding South Koreans against their will. Unification Minister Hyun In-taek, however, acknowledged during the parliamentary audit last week that his ministry was considering the money-for-abductee plan. "We won't be able to apply the German program as it is, but we are closely examining it," Hyun said. Considering that the ultimate goal is the safe return of South Koreans, the ministry's disclosure of its plan from a very early stage raised questions over how serious Seoul was about it. "Germany spoke about the program only after the job was done. (Seoul) appears to have brought it up prematurely, hoping to ease complaints over the abductees' issue," said Choi Sung-yong, who represents the families of South Koreans held in the North. "The most urgent task for now is to hold talks with the North to confirm how many of the abductees are still alive. Talking about giving money to rescue them seems far-fetched, not to mention whether it would be possible to appropriate so much money from state coffers." Unification Ministry spokeswoman Lee Jong-joo said the ministry ordered the research because Germany is the only similar case South Korea could refer to. "It is just one of the many ways the government is studying to resolve the abductees' problem," Lee said. The KINU report said that the Unification Ministry must play a central role from the beginning of the negotiations to the end, under close cooperation with other related government agencies. But instead of presenting itself in the forefront, the ministry should lead the process from behind by having the South Korean Red Cross do the actual talks with the North, the report said. "Having the Red Cross at the working-level would highlight the humanitarian side and alleviate the political character of the negotiations," the report said. "Making use of the experience and human network of the Red Cross, which has led the inter-Korean family reunions and provided aid to the North, would lessen trial and error." (Kim So-hyun, "Seoul Mulls German Model for Release of Detainees in the North," *Korea Herald*, October 28, 2009)

10/28/09

President Hu Jintao met with Choe Thae Bok, secretary of the Central Committee of the Workers' Party of Korea, in Beijing, the first time Hu has met with a senior North Korean official since the North's second nuclear test in May. In his opening remarks at the meeting held at Beijing's Great Hall of the People, Hu referred to Choe as an "old friend of China" and referred to his visit as yet another significant meeting between both countries. "Your visit in leading a delegation from the DPRK's Workers' Party of Korea is another important interaction between both parties after Premier Wen Jiabao's successful visit to your country," Hu said. Xinhua News Agency reported late yesterday that the North Korean delegation led by Choe is in China as part of a visit to strengthen bilateral relations between the two countries. [Party relations and friends are not the same as allies.] (Kyodo, "China's Hu Meets with Senior N. Korean Official in Beijing," October 28, 2009) -- At a meeting yesterday with Choe Thae-bok, Chinese President Hu Jintao formally invited North Korean leader Kim Jong-il to visit China "at a convenient time," KCNA reported today amid a flurry of top-level visits between the communist allies for the 60th anniversary of their diplomatic ties. (Lee Chi-dong, "Chinese President Invites N. Korea Leader: KCNA," October 29, 2009)

In its latest package of assistance to North Korea, South Korea yesterday sent optical cables and other communication equipment north to improve communication channels

between the two Koreas. The Unification Ministry announced the cables and conduit lines, worth 850 million won (\$714,850), are aimed at helping upgrade North Korea's military communication lines, which are primarily used to issue authorization for South Koreans taking cross-border trips. The ministry said outdated equipment had caused some miscommunication in September and led to several delays in daily border trips. According to the ministry, the South government on October 19 offered to begin renovation work on communication lines and the North gave its consent the following day. The necessary work, which will largely be about changing copper cables to optical ones, will be complete by the end of this year. (Yoo Jee-ho, "Seoul Sends Cable North to Boost Communication," *JoongAng Ilbo*, October 29, 2009)

The ruling Grand National Party (GNP) was defeated in the by-elections held in the Gyeonggi and North Chungcheong Provinces. Kim Young-whan, the Democratic Party (DP) National Assembly candidate, defeated Song Jin-seop, the GNP candidate, by securing 41.17 percent to 33.17 percent of the vote in the Sangrok-B district in Ansan City located in Gyeonggi Province. In the Jangan district in Suwon City, also in Gyeonggi Province, Lee Chan-yeol, another DP candidate, also defeated GNP candidate Park Chan-sook by winning 49.22 percent to 42.67 percent. Chung Beom-gu, the DP candidate in the by-elections held in the Jeungpyeong-Jincheon-Geoisan-Eumsung district in North Chungcheong Province, defeated GNP candidate Kyung Dae-soo 41.94 percent to 29.64 percent. The GNP won two out of five district elections. In the Gangreung district in Gangwon Province where the DP did not run a candidate, GNP candidate Kwon Sung-dong won the by-election with 50.9 percent of the vote. In the Yangsan district in South Gyungsang Province, GNP candidate and former Chairperson Park Hee-tae, narrowly won the by-election with 38.13 percent of the vote. DP candidate Song In-bae, secretary of late President Roh Moo-hyun, received 34.05 percent of the vote. Although, Yangsan is a GNP stronghold, the winner could not be determined until the final stages of counting the ballots. (*Hankyore*, "DP Defeats GNP in October By-Elections," October 29, 2009)

10/30/09 The North Korean government was the source of high-profile cyberattacks in July that caused Web outages in South Korea and the United States, news reports said. The IP address – the Web equivalent of a street address or phone number – that triggered the Web attacks was traced back to North Korea's Ministry of Post and Telecommunications, the chief of South Korea's main spy agency reportedly told lawmakers. The ministry leased the IP address from China, Won Sei-hoon of the National Intelligence Service told lawmakers Thursday, according to *JoongAng Ilbo*. South Korea's Yonhap news agency carried a similar report. The spy agency declined to confirm the reports. Two lawmakers on parliament's intelligence committee contacted Friday also refused to confirm the reports. The Unification Ministry, which monitors North Korea, said it cannot comment on intelligence matters. (Jae-soon Chang, "Reports: Cyberattacks Traced to N. Korea," Associated Press, October 30, 2009)

South Korea announced its decision to dispatch forces to Afghanistan. The 300-strong force aimed at protecting the civilian workers in the war-torn nation as participants of a Provincial Reconstruction Team. The size of the PRT group will also be raised to over 100, Foreign Ministry spokesman Moon Tae-young said. Currently a 25-staff team is

operating as the PRT, under the protection of the United States' troops stationed at Bagram Air Base just above the Afghani capital of Kabul. Seoul yesterday said it would combine the forces dispatch with plans to set up an independent base camp in one of three locales in Afghanistan-Kabul, Day Kundi or Nimroz. These are the only areas void of international troop camps. (Kim Ji-hyun, "Seoul to Send 300 Troops to Afghanistan," *Korea Herald*, October 31, 2009) The plans, if approved by Parliament, will reinstate a South Korean military presence in Afghanistan two years after the country withdrew its 200 troops from there. The 2007 pullout followed a hostage crisis in which the Taliban killed 2 of 23 kidnapped Christian aid volunteers from South Korea and demanded a troop withdrawal. A spokesman for the Foreign Ministry, Moon Tae-young, did not say how many troops and police officers South Korea wanted to dispatch. South Korea also plans to expand a reconstruction team now helping to rebuild Afghanistan to 130 to 150 workers, the report said. Currently there are 25 government-assigned aid workers in hospitals and job-training centers in Afghanistan. "Our troops will not engage in battles except for the security of our workers and for self-defense," Moon said. (Choe Sang-hun, "South Korea Says It Plans Afghanistan Deployment," *New York Times*, November 1, 2009, p. 12)

Even after the wartime operational control is handed over to South Korea in April 2012, elimination of North Korea's weapons of mass destruction and naval landing operations will be led by the U.S. army. Walter Sharp, commander of U.S. Combined Forces Command, said in a lecture that the allies agreed that the U.S. army handle the two special tasks after wartime operational control is returned to South Korea. A high-profile source in Seoul reportedly said South Korea and the United States have worked out a military operation plan to respond to a regime collapse or other internal emergency situations in North Korea. "The two allies have developed what was previously a concept plan into an operation plan after the Lee Myung-bak administration took office early last year," the source was quoted by Yonhap as saying on condition of anonymity. "They recently completed the operation plan based on five to six types of possible sudden changes in North Korea." The Operational Plan 5029 prepares for various situations in North Korea -- an outflow of weapons of mass destruction such as missiles, nuclear and biochemical weapons, a regime change, a civil war situation caused by a coup, South Koreans held hostage, a massive exodus of North Koreans and natural disasters. The source noted that most operations will be led by the South Korean army with the exception of WMD elimination, which will be taken care of by the U.S. army. "Should the Korea-U.S. combined forces inevitably intervene in case of such a situation in the North, most of the operations will be led by the South Korean army, in consideration of neighboring countries," he said. "The U.S. army, however, will be responsible for the removal of nuclear facilities and weapons." (Kim So-hyun, "'Allies Complete N.K. Contingency Plan,'" *Korea Herald*, November 2, 2009; Yonhap, "Seoul, Washington Round out Plans to Handle N. Korea Regime Collapse: Sources," November 1, 2009)

The Research Plus survey conducted on October 31 at the request of the *Hankyoreh* shows President Lee Myung-bak's popularity rating is 45.7 percent. President Lee's approval rating appears to be remaining steady when compared to the 45.3 percent approval rating recorded in the Research Plus survey on September 26. His approval rating was at a low 29.3 percent on July 25, but has since risen to break 40 percent as of



August. Experts say that President Lee's decision to hold a state funeral for late President Kim Dae-jung and allow the North Korea mourning delegation to pay their respects positively impacted his approval ratings. Lim Sang-ryel, the president of Research Plus says, "President Lee's approval ratings have been positively linked to the country's economy. (Hankyore, "President Lee's Approval Ratings Maintain at 45.7 Percent," November 2, 2009)

The American Red Cross is working to arrange the reunions of Korean families living in the U.S. and North Korea. Abi Weaver, a spokesperson at the agency, told the Radio Free Asia that it asked the Red Cross societies of the two Koreas to cooperate on the initiative, encouraged by the recent resumption of the reunion of South and North Korean relatives who have lived on the different side of the border due to the 1950-53 Korean War. Mark Kirk (R-Ill) and Jim Matheson (D-Utah) co-chair the Congressional Commission on Divided Families, an official government mechanism set up in 2007 to facilitate the reunions between Koreans in the U.S. and North Korea. (Yonhap, American Red Cross Seeks to Link Koreans in U.S., N. Korea," October 31, 2009)

10/31/09 Normalization of ties between North Korea and Japan does not necessarily have to wait till the abduction issue is fully resolved, Japanese PM Hatoyama Yukio has said. Choi Sang-yong, a former South Korean ambassador to Japan, met with Hatoyama in Tokyo on Oct. 31 and sent his thoughts on the meeting to the *Chosun Ilbo*. He said contentious issues like the repatriation of Japanese citizens abducted by North Korea in the 1970s and 80s and other matters can be tackled separately. "Our position is that it is possible to tackle one by one in the process of normalization," Choi quoted Hatoyama as saying. (*Chosun Ilbo*, "Japanese Premier 'More Flexible' on North Korea," November 4, 2009)

11/2/09 DPRK FoMin spokesman: "The delegation led by the director general of the U.S. Affairs Department of the Foreign Ministry is staying in the U.S. to attend the 20th Session of the Northeast Asia Cooperation Dialogue sponsored by the University of California Institute on Global Conflict and Cooperation and the exchange of views between the DPRK and the U.S. organized by the National Committee on American Foreign Policy. While staying there the delegation responded to the request made by the ambassador of the U.S. Department of State for contact. This contact was not a preliminary one for the DPRK-U.S. talks and, accordingly, no discussion has been made there on any substantial issue concerning the bilateral dialogue. It is the stand of the DPRK already known to the world that **it will go out for multilateral talks depending on the outcome of the DPRK-U.S. talks to be kicked off before anything else and the six-party talks are included in the multilateral talks.** This stand of the DPRK proceeded from the principled and reasonable assertion that **if the Korean Peninsula is to be denuclearized the hostile relations between the DPRK and the U.S. should be settled** to give priority to the process of totally removing the root source that spawned the DPRK's access to nukes. The past six year-long course of the six-party talks proved that no matter how frequently the six parties meet, it is nothing but an armchair argument unless the hostile relations between the DPRK and the U.S. are settled and confidence is built between them. The U.S. pulled up only the DPRK over its satellite launch for peaceful purposes and even brought up the issue for discussion at the UN

Security Council, putting into effect sanctions against the latter. This resulted in violating the principles of respecting sovereignty and sovereign equality, the basic spirit of the September 19 joint statement, and reducing it to a dead document. The political sovereignty of the DPRK was not only violated but it suffered a huge economic loss. The construction of atomic power stations to be operated by graphite-moderated reactors which had been under way with much effort since the 1980s was suspended but the provision of two light water reactors which had been promised as a compensation for them ended in smoke. The DPRK received little economic reward for disabling its nuclear facilities in Yongbyon. In the final analysis, only the DPRK plan to develop its own nuclear power industry with a capacity of two million Kw was scuttled. It is the conclusion drawn by the DPRK that the DPRK and the U.S., the parties concerned, should sit at a negotiating table, to begin with, to seek a reasonable solution. **If the hostile relations between the DPRK and the U.S. are settled and confidence is built between them, there will be meaningful progress in realizing the denuclearization of the Korean Peninsula.** As the DPRK was magnanimous enough to clarify the stand that it is possible to hold multilateral talks including the six-party talks depending on the talks with the U.S., **now is the U.S. turn. If the U.S. is not ready to sit at a negotiating table with the DPRK, it will go its own way.**" (KCNA, "DPRK Foreign Ministry Spokesman 'Urges U.S. to Sit at Negotiating Table,'" November 2, 2009)

"The reprocessing factory appears to have been restored to its earlier conditions," a senior defense official was quoted as saying by Yonhap, citing satellite photos that showed a continuous stream of workers in and out of the site in Yongbyon. "Activities involving people and vehicles have been consistent for months," the official said. "I wouldn't be surprised if North Korea has started to reprocess spent fuel rods." Another official said, "Evidence points to the North having put Yongbyon back to work," citing electricity has been detected being supplied to the complex on and off over the past few months. A senior Foreign Ministry official involved in North Korea policy said, however, that he could not confirm whether the Yongbyon facility was restored. "There could be people moving in and out of the facility but there is no way to confirm whether they reactivated it," he said. (Kim So-hyun, "'Nuclear Facility Back to Work,'" *Korea Herald*, November 3, 2009)

11/3/09

KCNA: "Six months have passed since the United States brought up the DPRK's launch of a satellite for peaceful purposes for discussion at the UN Security Council in last April, putting into effect sanctions against it. In this period, the DPRK restarted the reprocessing facilities and successfully **completed the reprocessing** of 8,000 spent fuel rods by the end of August **as part of the measure taken to restore the nuclear facilities in Yongbyon to their original state** which had been disabled under the agreement reached by the six parties. The DPRK had already clarified that this action taken by the UNSC itself was a wanton infringement upon the sovereignty of the DPRK and a grave insult to the dignity of its people as it legitimately conducted the satellite launch after going through international legal procedures. The DPRK which regards the security of the country and the sovereignty of the nation as its life and soul was compelled to take measures for bolstering up its deterrent for self-defence to cope with the increasing nuclear threat and military provocations of the hostile forces. **Noticeable successes have been made in turning the extracted plutonium weapon-grade for**

**the purpose of bolstering up the nuclear deterrent in the DPRK.** (KCNA, "DPRK Completes Reprocessing of Spent Fuel Rods," November 3, 2009)

North Korea put further pressure on the United States to start bilateral talks by declaring on Tuesday that it had completed reprocessing its spent nuclear fuel for use in a bomb. In early September, North Korea had told the U.N. Security Council that it was in the "final phase" of reprocessing 8,000 spent fuel rods unloaded from its nuclear reactor in Yongbyon and was "weaponizing" plutonium extracted from the rods. If reprocessed with chemicals, the rods could yield enough plutonium for at least one nuclear bomb, according to officials and nuclear experts in Seoul and Washington. Using the same procedure at Yongbyon, North Korea was believed to have already accumulated enough plutonium for six to eight bombs. (Choe Sanghun, "North Korea Says It Has More Bomb-Grade Material," *New York Times*, November 3, 2009)

Japanese government officials have determined that North Korean leader Kim Jong Il oversaw the Pyongyang agency responsible for abducting Japanese nationals in the 1970s and 1980s, despite Kim's claim he was not involved, sources said. The officials believe Kim either ordered the abductions or at least was in a position to know about them, the sources said. When Kim admitted to then Prime Minister Junichiro Koizumi in September 2002 that North Korean agents had abducted Japanese nationals, he indicated he had not been connected to the operations. He said they "were carried out by elements within a special agency that turned toward impulsive, and what they considered heroic, acts." This new revelation will make it more difficult for Prime Minister Yukio Hatoyama to carry out his plan to normalize relations with North Korea. An overseas intelligence investigation division under the ruling Workers' Party of Korea carried out the abductions of Japanese nationals from the 1970s to the early 1980s. The investigation by Japanese government officials has determined the division, now called Room 35, reported directly to Kim. Japanese police officials have already determined that Li Wan Gi, former director of the overseas intelligence investigation division, and Kan Hae Yong, a former deputy director of the same division, were involved in the planning and supervision of the abduction of Chimura Yasushi and his wife Fukie, as well as Hasuike Kaoru and his wife Yukiko. The two couples returned to Japan in 2002 along with Soga Hitomi. Government sources said police officials at one time considered seeking arrest warrants against Li and Kan, but that plan was shelved by people close to then Prime Minister Yasuo Fukuda. According to diplomatic sources, in February 2008, Japanese government officials questioned Choi Un Hee, a South Korean actress who was abducted to North Korea in 1978 and later escaped. Choi said that by the 1970s Kim had taken over management of the government from his father. She believed he gave the order to abduct Japanese nationals. (*Asahi Shimbun*, "Kim Jong-il Oversaw Abduction Agency," November 3, 2009)

By sending a special mission to Pyongyang next week, French President Nicolas Sarkozy wants to bring new ideas to a stale standoff. Among them is possible European aid to North Korea in exchange for nuclear guarantees, envoy Jack Lang said in an interview. "No questions are forbidden," Lang told The Associated Press of his upcoming meetings with senior North Korean officials. He called himself a "soldier of peace." The official goal of the visit is to sound out the possibility of establishing diplomatic ties

between the two countries. However, as part of the mission, Lang is holding talks with all six governments involved in North Korea disarmament talks - and it's clear the real aim is a longshot bid to achieve a breakthrough in the nuclear standoff. "We will discuss all the problems, the nuclear question naturally," Lang said. "I'm happy to be able to accomplish this mission for my country, for Europe and for peace." (Angela Charlton, "France Wades into Bog of North Korean Diplomacy," Associated Press, November 3, 2009)

North Korea's military, whose nuclear program vexes the Obama administration, has grabbed nearly complete command of the nation's state-run economy and staked out a lucrative new trade in mineral sales to China to make money for its supreme commander, Kim Jong Il. As it deepens its dominance over nearly every aspect of daily life, the Korean People's Army is also deploying soldiers to take first dibs on all food harvested in the isolated, chronically hungry country, according to the latest assessments of analysts. "The military is by far the largest, most capable and most efficient organization in North Korea, and Kim Jong Il is making maximum use of it," said Lim Eul-chul of the Institute for Far Eastern Studies in Seoul. "The army is the people, the state and the party," the government has declared. All references to the word "communism" were removed this year from the North Korean constitution. They were replaced with the word "songun," which means "military first." Kim also demands that the military be the primary engine of national prosperity. "Once we lay the foundation for a powerful self-sustaining national defense industry, we will be able to rejuvenate all economic fields," said *Rodong Sinmun*. "At harvest time, soldiers bring their own trucks to the farms and just take," said Kwon Tae-jin, a specialist on North Korean agriculture at the Korea Rural Economic Institute, which is funded by the South Korean government. In the far north, where food supplies are historically lean, the military takes a quarter of total grain production, Kwon said. In other areas of the country, he said, it takes 5 to 7 percent. To make sure that workers at state farms do not shortchange the military, Kwon said, the army stations soldiers at all 3,000 of them. He said that when tens of thousands of city dwellers are brought to the farms to assist with the fall harvest, soldiers monitor them to make sure they do not steal food. (Blaine Harden, "North Korea's Military Now Issues Economic Orders," *Washington Post*, November 3, 2009, p. A-1)

The United States and North Korea have agreed to hold two rounds of bilateral meetings before the North returns to multilateral nuclear disarmament talks, *Foreign Policy* said on its website. The agreement was reached at last month's meetings in New York and San Diego between officials from the two sides. *Foreign Policy*, quoting an administration official, said "substantial progress" was made in talks between Sung Kim, the State Department's special envoy to six-party talks, and visiting North Korean official Ri Gun. (AFP, "U.S., North Korea to Hold Bilateral Meetings," November 4, 2009)

According to KWAA Article II, Para A, Sub Para 13 (C), several islands of the west coast of Korea, Paengyong-do, Taechong-do, Sochong-do, Yonpyong-do, and U-do, also known as the Five Northwest Islands (hereafter "the five islands") are specifically designated to remain under the control of the Commander-in-Chief, UNC (CINCUNC). ...The islands have remained as a ROK territory for several reasons. First, the five islands and their surrounding waters were under ROK jurisdiction when the Korean War broke

out because they lie south of the 38th parallel (the pre-Korean War boundary imposed on Korea by the Allies at the end of World War II). The islands never fell under the Communists' control throughout the Korean War, because the North did not have strong enough naval forces to transport landing forces and the islands were strongly defended by the ROK military forces. The UN navies maintained maritime superiority, which prevented the Communists from using the sea and also allowed allied vessels to move about in relative freedom. In fact, the UNC was practically in control of all of the North Korean coastal waters, but decided at the end of the war to withdraw from all coastal islands above the 38th parallel, such as Cho-do west of Nampo, and Daehwado west of the Chungchun River. The UNC even handed over several islands near the DPRK coastline and below the 38th parallel, which arguably could have been retained under ROK control. Had they done so, the UNC would have been able to completely block access to Haeju, one of the major ports in the DPRK. Second, the islands played an important role as a base for special operations during the war. In February 1951, a special operations unit composed of anti-communist partisans from North Korea was established on these islands. Originally called "Task Force William Able," it was renamed "Task Force Leopard" in March 1951. Taking advantage of their maritime superiority and their proximity to the west coast, UN naval forces landed the ROK partisan commandos along the west coast to conduct special operations behind enemy lines. In a major effort from 16 February 1951 to the end of the Korean War, these ROK special operations, along with the UNC naval forces, diverted 80,000 North Korean troops away from frontline duty. Third, the islands did not get much attention during the KWAA negotiations, apparently because the Communists did not recognize the strategic importance of the islands. The status of the islands was discussed as a sub item of the negotiations regarding the military demarcation line (MDL). According to the diary of Admiral C. Turner Joy, the senior UNC negotiator, the islands issue was brought up for the first time on 30 October 1951. The UNC delegation proposed to the Communists that they relinquish a reasonable amount of ground they held in return for withdrawal of UN forces from the islands north of the proposed ground demarcation line. He also argued that since the UN side maintained air and maritime superiority over all Korea and the seas around the peninsula, it should be awarded additional territory on the ground. The UNC delegation wanted to gain the old Korean capital of Kaesong in the west and was willing to give up the islands and some territory in the east to do so. The Communists refused the proposal, insisting that under no circumstances would they give up any of the areas they physically occupied in return for withdrawal of UN forces from the islands and for the UN's air and naval superiority. Major General Hsieh Fang, the Chinese Communist delegate, consistently argued that the UNC should withdraw from all islands north of an extension of the ground demarcation line into the West Sea. However, the UNC was also determined to hold the islands unless there was a suitable adjustment elsewhere. On 3 February 1952, after months of negotiation, the Communists agreed to UNC retention of the five named islands. On 22 February 1951, the UNC and the Communists delegation agreed to insert a new paragraph in the KWAA about withdrawal of the UNC forces from coastal islands with an accompanying map showing the islands remaining under UNC control: Paengyong-do, Taechong-do, Sochong-do, Yonpyong-do, and U-do. For the Communists, the old capital city of Kaesong had political and symbolic importance, while they failed to recognize the strategic importance of the five islands since they did not have a viable naval force at

that time. Had they decided to trade some portion of the mainland for the five islands, the dynamic would have changed significantly. ...The location of the five islands has provided the ROK several strategic advantages. First, the islands are ideal places for monitoring and providing early warning of the suspicious activities of the DPRK military in the west coast area. ...In this regard, the five islands have played an important role in monitoring KPA activities in the Whanghae area and in the West Sea to prevent and, if necessary, interdict the infiltration of DPRK spies and special units by way of the West Sea. Second, the islands can be used as a base for special operations and as forward bases for amphibious operations. ...Task Force (TF) William Able (later called TF Leopard) was organized under Eighth Army command on 15 February 1951 on Paengyong-do. ...the Leopard teams were able to infiltrate to collect information, establish contact, and supply partisans already operating within NK, and to conduct small scale attacks to disrupt the enemy rear area. They blew bridges and railroads, attacked small KPA and CPVA detachments, and established reliable agent nets. These activities forced the CPVA and the KPA commands to divert two full critically needed corps from frontline units to rear area security operations in Whanghae Province. Today, due to fear of the past experiences, the DPRK still employs a significant portion of its ground forces to defend the west coast. Third, the islands can be used as a forward base for humanitarian support operations in the DPRK when the situation dictates. ...Since the KWAA was signed, numerous defectors also have come to the ROK by way of the islands. ...The NLL was established on 30 August 1953 unilaterally by the U.N Commander as an operational control measure to prevent accidental armed clashes between the two Koreas in the waters around the five islands after the UNC and the communists failed to produce an agreement on a maritime border. They were unable to agree on a maritime equivalent of the MDL on land due to differences in understanding of the term "coastal waters." The UNC claimed that territorial waters extended for 3 nautical miles off the coast while the Communists claimed 12 nautical miles. ...The DPRK did not object to the NLL until October 1973 because it benefited the DPRK by serving as a protective fence for a country that did not have a viable naval force. During the 346<sup>th</sup> Military Armistice Commission held in December 1973, the DPRK claimed for the first time that the waters to the north of the extension of the provincial boundary line were its territorial waters, and that ships arriving at and departing from the five islands required the approval from the DPRK. Even though the DPRK did not *officially* recognize the NLL, it *implicitly* recognized the NLL and has abided by it. But only when the DPRK needed to raise tension did it deliberately violate the NLL. DPRK vessels crossed the NLL approximately 200 times during four months from November 1973 to February 1974 in order to protest the NLL for the first time since it had been established. ...The Sea Military Demarcation Line issue was resolved through both the South-North Basic Agreement in December 1991 and the Protocol on Non-aggression in September 1992. Article 9 of the Protocol on Non-aggression states that "the South-North demarcation line and areas of non-aggression shall be identical with the Military Demarcation Line specified in the Military Armistice Agreement of 27 July 1953, and with the areas that have been under the jurisdiction of each side until the present time." Article 10 of the Protocol on the two side's jurisdiction area stipulates that "the South-North sea non-aggression demarcation line shall continue to be discussed in the future. Until the sea non-aggression demarcation line has been settled, the sea nonaggression zones shall be identical with those that have been under the jurisdiction of each side until the

present time." (Col. Moo Bong-ryoo, ROKA, "The Korean Armistice and the Islands," U.S. Army War College, November 3, 2009)

WikiLeaks cable: "C O N F I D E N T I A L SEOUL 001771

SUBJECT: SEVERE FOOD SHORTAGES WON'T COLLAPSE DPRK, SAYS PROMINENT NORTH KOREAN DEFECTOR Summary ¶1. (C) During a November 2 meeting with poloffs, prominent North Korean defector Cho Myung-cheol emphasized that the DPRK's poor harvest and severe food shortages are "nothing new." The major difference between now and the famine of the late 1990s, said Cho, is that non-elite North Koreans have taken charge of getting their own food via unofficial markets; in the 1990s, many ordinary North Koreans "sat around waiting for the government to save them and died of starvation." Cho acknowledged that the recent increase in black market activity throughout the DPRK could be read as a sign of particularly tough, but not unprecedented, times in the North. Downplaying reports of growing dissatisfaction with the Kim Jong-il regime among the North Korean populace, Cho asserted that non-elites don't have the "luxury" of thinking about politics; their focus, he stressed, was on the daily need to "put the food on the table." End Summary. ¶2. (C) During a November 2 meeting with poloffs, Korea Institute for International Economic Policy Senior Research Fellow Cho Myung-cheol characterized the current food situation in North Korea as "not significantly worse" than in previous years. According to Cho's research, the DPRK harvested approximately 4.2 million metric tons (MMT) of grain in 2008; the 2009 harvest would be about 3.8 MMT, a shortfall of some 400,000 MMT. A gap of that size was "nothing new," Cho claimed. ¶3. (C) What was new, however, was the people's initiative to participate in black market activities to "take care of themselves," according to Cho. North Koreans who survived the famine of the late 1990s learned that "if you wait to be rescued by the authorities, you'll starve to death." Motivated by memories of the famine, Cho explained, non-elites have found creative ways to get their own food -- primarily via unofficial markets. ¶4. (C) "Just about everyone" in North Korea now buys and/or sells things in black markets, Cho said, including government officials and urban workers. People go to their work units for the morning roll call and then head off to the nearest market to "earn real income." The system is sustainable, Cho argued, because even work unit supervisors and security force officers earn income at the markets -- though often in the form of bribes. At a typical market, Cho said, approximately 85 percent of the goods come from China; the balance, he claimed, were generally goods stolen from factories, government offices and/or people's homes. ¶5. (C) Cho acknowledged that there was growing dissatisfaction with the Kim regime among ordinary North Koreans but dismissed the possibility of an organized, East European-style uprising for two primary reasons: fear and hunger. Cho emphasized that, though weakened and corrupt, the DPRK security apparatus was still capable of inflicting fearsome punishment on those caught doing something viewed as anti-regime. Moreover, the authorities still punished not only the wrongdoer, but his or her extended family (and sometimes friends) as well. While medieval, this collective punishment kept a "tight and effective lid" on regime opposition. Second, Cho stressed that the average non-elite North Korean does not have the "luxury" of thinking about politics. Instead, he/she has to "worry about putting food on the table for the next meal." ¶6. (SBU) Cho closed by calling for the ROKG and USG to flood North Korea with donated clothing and food aid -- items not restricted by UN sanctions. The clothes and food would find

their way into the black markets and drive down prices. This, he argued, would have two positive effects: it would improve the lives of ordinary North Koreans and undercut unscrupulous Chinese merchants who were, in Cho's view, exploiting the misery of the North Korean people. ¶7. (SBU) Cho is a former member of the North Korean elite. As the son of a Minister of Construction father and economics professor mother, Cho attended special schools from kindergarten through university. Cho majored in economics at Kim Il-sung University and spent three years in China as an exchange professor; he defected to South Korea in the 1990s. Cho is an in-demand interlocutor for diplomats and journalists here, respected for his insights on all things North Korea-related. He travels frequently to the PRC-DPRK border area, Japan, Europe, and Southeast Asia. STEPHENS"

11/4/09

The United States is expected to make a decision soon on the date and agenda of bilateral talks with North Korea, South Korea's chief nuclear envoy said. Wi Sung-lac, special representative for Korean Peninsula Peace and Security Affairs, also said that the government is making efforts to get the reclusive state to return to the six-party denuclearization talks while maintaining sanctions. "It has been a long time since North Korea invited the United States to Pyongyang," Wi said in an interview. "What I was told most recently is that the U.S. side will soon make a decision." On November 2, Pyongyang renewed its demand for bilateral talks with Washington, threatening to go its own way unless the U.S. sets a date for bilateral talks. A day later, Pyongyang also announced that it has completed the reprocessing of 8,000 spent fuel rods in an apparent attempt to increase pressure to get the U.S. into direct talks. "North Korea's reprocessing of spent fuel rods is not a good move," Wi said. "I don't see it as helpful to the (possible) bilateral talks between North Korea and the United States." But the announcement, he said, was not a surprise to him since the North already issued a similar statement. "I can't conclude possible impacts (of the reprocessing) at the moment," he added. The envoy is scheduled to visit the U.S. and Japan from Thursday. "I will discuss matters regarding possible Washington-Pyongyang talks with U.S. officials and focus on preparation for a summit between South Korea and the United States scheduled for mid-November," Wi said. He said he will also discuss President Lee Myung-bak's "Grand Bargain" nuclear proposal with Japanese officials. (Kim Sue-young, "U.S. to Set Date for Talks with N. Korea Soon," *Korea Times*, November 4, 2009)

North Korea has asked South Korean civic organizations for urgent food aid, but it has not answered Seoul's proposal to provide 10,000 tons of corn made October 26. A civic organization official said, "The Inter-Korean Reconciliation Council under the (North Korean) Workers' Party recently spoke to South Korean civic organizations in China, and asked them to provide food aid. It even asked them to send food even if just 50 to 100 tons. It seems the North will not refuse any support even if the amount is far smaller than expected." Accordingly, several South Korean civic organizations have begun preparing food aid for the North. More South Koreans have also visited the North to discuss food assistance. (*Dong-A Ilbo*, "N. Korea Asks S. Korean Civic Groups for Food Aid," November 5, 2009)

WikiLeaks cable: "S E C R E T TOKYO 002614 11/ 12/09 SUBJECT: EAP A/S KURT CAMPBELL DISCUSSES FUTENMA, POTUS VISIT WITH MOFA DG UMEMOTO, MOD



DG TAKAMIZAWA ¶1. (S) In a November 5 meeting, EAP Assistant Secretary Kurt Campbell, joined by the Ambassador, stressed to Ministry of Foreign Affairs (MOFA) North American Affairs Bureau Director General Umemoto the importance of ensuring a successful visit to Japan by the President and provided a five-point suggestion from the White House (para. 2). A/S Campbell and Umemoto agreed that both governments should manage press reports depicting strains in the U.S.-Japan Alliance and instead steer the press to cover broader aspects of the bilateral relationship. **Umemoto said he had persuaded Foreign Minister Okada not to take up contentious nuclear issues during the President's visit, especially a no-first use policy. He noted that a U.S. assurance of extended deterrence, while appreciated, would not be necessary.** ¶2. (C) Joined later by Ministry of Defense (MOD) Defense Policy Bureau Director General Takamizawa, Umemoto asserted that Okada was gradually accepting the notion that consolidation of Marine Corps Air Station Futenma with Kadena Air Base was not feasible, yet continued to press on MOFA and MOD bureaucrats on whether the current plan to move Futenma to Camp Schwab could be implemented in light of political and environmental considerations. The two DGs acknowledged that the political situation in Okinawa was worse than before, but thought it was still possible to implement the agreed plan. A/S Campbell and the Ambassador underscored that issues like Futenma were not appropriate for the leaders' discussion. End Summary. ... ¶5. (C) **DG Umemoto said he had persuaded FM Okada "not to pick a fight" with the United States on nuclear issues, especially regarding negative security assurances and no-first use, during the President's visit.** However, FM Okada was looking for ways to address areas of mutual interest, such as the Nuclear Security Summit and nuclear non-proliferation, Umemoto remarked. A/S Campbell asked if Japan would be looking for statement of assurance on extended deterrence by the President. **DG Umemoto responded that the Japanese government assumed the U.S. commitment to extended deterrence was unchanged. Moreover, the current political leadership in Japan was less focused on this issue compared to the previous administration.** While PM Hatoyama would undoubtedly welcome a statement of assurance from the President during the meeting, it was not something the Japanese government was requesting, either during the meeting or in public comments. DG Umemoto assessed that the lack of a statement would not have a negative impact. ¶6. (C) Commenting on the DPJ's approach to this visit, DG Umemoto said the DPJ had a different style from the LDP and, moreover, believed it needed to highlight those differences. But overall, the DPJ wanted a successful visit, Umemoto remarked. ... ¶9. (C) A/S Campbell sought the two DGs' views on defining success for the President's visit to Japan. **Umemoto responded that the U.S. message on the overall bilateral relationship should focus on the positive aspects, but should remain firm on Futenma. He pointed out that Japanese public misperception that the U.S. Government had flexibility on the issue would only galvanize Okinawan politicians to strengthen their opposition to the FRF.** He also expressed concern that a large segment of the DPJ had groundless, unsubstantiated expectations that President Obama would empathize with the DPJ's political plight and change Washington's course on realignment and the FRF. DPJ members saw a natural ally in a Democratic U.S. Administration, especially the President, and believed that their common positions on several issues, such as

nonproliferation and climate change, would lead the President to be more flexible on contentious issues such as the FRF. ...ROOS"

11/6/09

Jeffrey Bader: "President Obama came into office making clear he was prepared to deal with adversaries as a general matter and, in particular, he singled wiliness to engage with North Korea, both directly and through Six-Party Talks, to help them find a way through de-nuclearization to acceptance in the international community and a better life for their people. Instead, dusting off its old playbook, North Korea abrogated its agreements, launched ballistic missiles, conducted a nuclear test, resumed reprocessing of spent fuel, and threatened its neighbors. Once the cycle of provocations was complete, North Korea sat back to await a new and improved package of concessions from the U.S. Instead, in response, in close cooperation with our partners, we have passed a UN Security Council resolution imposing new sanctions against North Korea. But more importantly, we have implemented it. We have presented a united front toward Pyongyang along with the other members of the six parties and the international community in demanding that North Korea halt provocations and commit seriously and demonstrably to denuclearization. The result has been to make it significantly more difficult for North Korea to conduct financial transactions to support its weapons of mass destruction programs, to sell or buy arms, or to proliferate WMD technology. We are prepared to engage directly with the North Koreans. The Obama Administration believes it is better to hear directly from others, including adversaries, than to hear from them secondhand through a filter, but we are not in talks for talks' sake. We are not interested in buying Yongbyon for a third time. We are not interested in indulging North Korea's dream of validation as a self-proclaimed nuclear power. We are ready to talk to North Korea in the context of the Six-Party Talks with the explicit goal of de-nuclearization and **with recognition that its previous commitments to de-nuclearize and return to the Nuclear Non-proliferation Treaty, notably those in 2005, remain valid.** ...[Q and A] We want to see genuine signs that the North Koreans understand that the Six-Party process is the right framework; that de-nuclearization is the agenda; **that the 2005 agreements remain binding on all parties, including North Korea;** and that North Korea is prepared to go through a path to international acceptance by pursuing a serious denuclearization agenda. If we see that, then there is no problem with bilateral contacts either in Pyongyang or elsewhere." (Jeffrey Bader, special assistant to the President, "Obama Goes to Asia: Understanding the President's Trip," the Brookings Institution, November 6, 2009)

11/7/09

"The Lee administration has met several times with North Korean officials to discuss a summit," a senior Cheong Wa Dae official said. "But North Korea demanded tens of thousands of tons of rice and fertilizer in exchange and we refused." North Korea wanted some US\$500-600 million worth of rice and fertilizer aid, he said. The official did not say whether Pyongyang also wanted cash. "The watershed moment in inter-Korean relations was the sinking of the Cheonan in March of 2010," he said. Talks were held even after the sinking, but North Korea refused to admit it was behind the attack, the official added. President Lee Myung-bak in a speech on August 15, 2009 said the South was ready to start talks with North Korea "any time and at any level." A week later, a North Korean delegation visited Seoul for the funeral of former President Kim Dae-jung

and told Lee that Pyongyang was willing to hold a summit. In October that year, presidential Chief of Staff Yim Tae-hee held a secret meeting in Singapore with Kim Yang-gon, the director of the North Korean Workers Party's United Front Department. The North Koreans again demanded \$500 million worth of rice and fertilizer aid. Additional talks behind the scenes were held in the border town of Kaesong on November 7 and 14 of that year, but ended without progress. "At the time, Won Tong-yon, a ranking member of the Asia-Pacific Peace Committee, even presented a rough draft of a summit agreement, which contained demands for tens of thousands of tons of rice and fertilizer, and we couldn't accept that," a source said. Another source said if Seoul had agreed to provide the aid, the North would have demanded cash at every step of the process until the summit took place. (*Chosun Ilbo*, "Cheonan Sinking Was 'Revenge for Refusing Aid,'" January 3, 2013)

11/9/09

Senior administration officials said that Obama decided last week to dispatch Stephen W. Bosworth, his special representative for North Korea, to Pyongyang after months of "intensive" discussions with U.S. allies in East Asia over how to reengage North Korea on its nuclear program. Although a date has not been set for the visit, senior administration officials say it probably will occur before the end of the year. The administration officials, who spoke on the condition of anonymity because the decision to send Bosworth to Pyongyang has not been formally announced, said the visit will focus solely on resuming the six-nation talks to end North Korea's nuclear program, using an agreement reached by the nations in 2005 as the basis for the discussions. North Korea also is interested in talking about resuming the search for missing U.S. servicemen and in sending the state symphony orchestra to the United States, but U.S. officials said those items will not be on the agenda. "We have received the assurances that we sought from the North that they understood that this was the purpose," one senior administration official said, referring to resuming the talks based on the 2005 document. "I think we are realistic about what may come out of it. In the best of circumstances, they will simply agree to get back on the path they were on before the most recent provocations. But I don't think we are under any illusions that this will necessarily happen." Last month, Wen Jiabao became the first Chinese premier to visit North Korea in 18 years, delivering a \$20 million aid package to highlight Chinese-North Korean economic ties. But the administration officials said Wen also spoke with Kim about returning to the negotiating table. "The Chinese believe it would be useful for us to have direct contacts with the North Koreans," one senior administration official said. "It's very clear that, although the Chinese encouraged us to have direct contacts, they were not encouraging us to have a bilateral negotiation. The Chinese, like the others, believe the right path is through the six-party talks." (Scott Wilson, "Obama Will Send Top Diplomat to North Korea for Direct Talks," *Washington Post*, November 10, 2009) The United States and North Korea will likely hold bilateral dialogue to make a breakthrough in the stalled six-party denuclearization talks in early December after Thanksgiving, a diplomatic official here said. "The bilateral meeting appears most likely to be held after the Thanksgiving holiday, which falls on November 25-29," said a senior Seoul government official. The U.S. State Department was reportedly expected to make either an official or unofficial announcement of the date of the bilateral talks late today or early tomorrow (local time) at the earliest. Bosworth said on November 5 he expects the U.S. government will make a decision on his trip to Pyongyang "soon," possibly "within a few weeks." Washington

was reportedly eyeing holding the bilateral dialogue soon after President Obama's scheduled Asian tour and before Thanksgiving but readjusted the date after a group of private U.S. experts on North Korea booked a visit to Pyongyang from November 21-24. Jack Pritchard, president of the Korea Economic Institute (KEI), and Scott Snyder, director of the Center for U.S.-Korea Policy at the Asia Foundation, are expected to visit North Korea on those dates. Another government official, requesting to be unnamed, agreed on the need to reschedule the meeting, as the U.S. State Department "had to review North Korea's reaction towards the South Korea-U.S. summit" set to be held on November 19. U.S. officials see the North's recent conciliatory overtures as the result of international financial sanctions and an overall arms embargo, which they said has effectively cut off revenue from arms sales, the main source of hard currency for the impoverished communist state. (Yonhap, "U.S., N.K., May Hold Talks after Thanksgiving Holiday: Source," November 9, 2009)

11/10/09

North and South Korea blamed each other for the eruption of gunfire -- the first such clash in seven years. South Korean officials said a badly damaged North Korean patrol ship retreated in flames after crossing into South Korean territory. It was not clear whether there were any injuries or deaths aboard the North Korean vessel. North Korea issued a statement that blamed the South for "grave armed provocation," claiming that ships from South Korea crossed into its territory. There were no South Korean casualties. (Blaine Harden, "Navies of Two Koreas Exchange Fire near Border," *Washington Post*, November 10, 2009) A North Korean patrol boat was set ablaze after exchanging fire with South Korea's navy, Seoul officials said, as tensions rose a week before a scheduled US presidential visit. President Lee Myung-Bak called an emergency meeting of security ministers as his Prime Minister Chung Un-Chan accused the North of making a "direct attack" on a high-speed patrol craft. "There was no damage on our side while a North Korean patrol boat engulfed in flame sailed back (across the border)," Chung told parliament. He described the clash, which follows recent peace overtures from the North, as unplanned and urged people to stay calm. The Joint Chiefs of Staff said the South's boat sent several warning signals after the North's boat crossed the border, but the intruder held its course. **After the South's boat fired warning shots**, "the North's side opened fire, directly aiming at our ship. Then our ship responded by firing back, forcing the North Korean boat to return to the north," the statement said. "There were no casualties on our side. We are on the lookout for any further provocations by the North," it said. "We express our strong protest to North Korea and urge it to prevent a recurrence of such incidents," said Brigadier-General Lee Ki-Sik of the Joint Chiefs of Staff. He said the two sides exchanged fire for two minutes from a distance of 3,200 metres. The North fired about 50 rounds, 15 of which hit the South Korean boat. The border known as the Northern Limit Line (NLL) has always been a potential flashpoint and was the scene of bloody naval clashes in 1999 and 2002. The North's navy last month accused South Korea of sending warships across the line to stir tensions, and said the "reckless military provocations" could trigger clashes. General Lee said the North breached the NLL 22 times this year. But this was the first time the South had to fire warning shots because the patrol boat kept intruding despite five warning signals. North Korea's military, however, told its South Korean counterpart to apologize for a "grave armed provocation" and said Seoul's ships had opened fire while its craft was north of the border. In a report on Pyongyang's official media, the North said its boat

"lost no time to deal a prompt retaliatory blow at the provokers." Kim Yong-Hyun, a professor at Dongguk University, said he thought it likely the incident was an intentional provocation from the North because its boat ignored warnings from the South. "This might be an intentional clash aimed at heightening tension ahead of Obama's trip," Kim told YTN. "I believe North Korea is trying to show Obama the volatility of the peninsula. North Korea has demanded a peace pact be signed with the US to replace the truce agreement (which ended the 1950-53 war)." (AFP, "North Korean Boat 'In Flames' after Naval Clash," November 10, 2009) North Korea disputed the South Korean accounting of the latest skirmish, claiming the South sent a "group of warships" across the border to attack its boat returning to port after a routine patrol. The "combat-ready" North Korean patrol boat "lost no time to deal a prompt retaliatory blow at the provokers," the Korean People's Army said in a statement carried by the official KCNA. (Sam Kim, "Koreas Clash in Yellow Sea, Raising Tensions ahead of Obama Trip," Yonhap, November 10, 2009) North Korea has acknowledged one of its sailors died in a clash with the South Korean navy last year near their disputed Yellow Sea border. A school in Pyongyang has been renamed after Kim Joo-Hyok, KCNA reported on October 16, Kim fought bravely by sacrificing his own life during the battle with foreign warships that invaded our sea territory last November." (Sam Kim, "North Korea Confirms Death of Sailor in Last Year's Naval Gunfight with S. Korea," November 8, 2010)

KCNA: "The Supreme Command of the Korean People's Army Tuesday issued a report on the grave armed provocation perpetrated by the south Korean forces in the waters of the north side in the West Sea of Korea this day. According to the report, today the north side let a patrol boat of the Navy of the KPA on routine guard duty promptly go into action to confirm an unidentified object that intruded into the waters of its side. When the patrol boat was sailing back after confirming the object at about 11: 20 a group of warships of the south Korean forces chased it and perpetrated such a grave provocation as firing at it. The patrol boat of the north side, which has been always combat-ready, lost no time to deal a prompt retaliatory blow at the provokers. Much flurried by this, the group of warships of the south Korean forces hastily took to flight to the waters of their side. The south Korean military authorities should make an apology to the north side for the armed provocation and take a responsible measure against the recurrence of the similar provocation." (KCNA, "DPRK Demands S. Korea Apologize for Armed Provocation," November 10, 2009)

Kim Jong-il visited a naval base in Nampo on November 10, immediately after his country lost a skirmish near Daecheong Island, and called for "modernization of warfare strategy and equipment" to "regain strength at sea." Kim is quoted as making the remarks by North Korean naval officer Kim Kwang-il of a naval unit identified only by the number 587 in a documentary by the North's official Korean Central Television celebrating the People's Army's anniversary on April 25, 2010. (*Chosun Ilbo*, "Kim Jong-il Called for Stronger Navy after Defeat in Skirmish," May 6, 2010) Following North Korea's crushing defeat by the South in last year's skirmish in the Yellow Sea, Kim Jong-il, directed its navy to intensify training "to raise heroes for do-or-die squads at sea," North Korea's media reported May 4, 2010. "Do the comrades know why I visit this unit frequently?" the navy officer quoted Kim Jong-il as saying after he observed a training session. "It's because I trust you the most." "The supreme commander visited our unit at

dawn and boarded a naval vessel" Kim Kwang-il said. "He also instructed us to upgrade the warships' weapons systems and combat technologies to meet the needs of modern-day warfare." (Lee Young-jong and Ser Myo-ja, "Fleet Officer Says Kim Intensified Navy Training after Nov. 10 Defeat," *JoongAng Ilbo*, May 6, 2010)

South Korea said it supports Washington's decision to hold a bilateral meeting with North Korea by year's end in efforts to reactivate the process for ending Pyongyang's nuclear weapons programs. "We support the visit by Special Representative Stephen Bosworth to North Korea aimed at reconfirming North Korea's denuclearization vows including an early revival of the six-nation talks and the Sept. 19 joint declaration," said Moon Tae-young, the Foreign Ministry spokesman. (Kim Ji-hyun, "Seoul Supports Talks between U.S., N.K.," *Korea Herald*, November 11, 2009)

WikiLeaks cable: "C O N F I D E N T I A L SEOUL 001795 SUBJECT: AMBASSADOR WI SUNG-LAC ON WEST SEA NAVAL INCIDENT ¶1. (C) Ambassador Wi Sung-lac, the ROKG's point person on North Korean issues, gave Ambassador Stephens a readout on the November 10 naval skirmish in the West Sea. Wi said there were no ROK casualties; he could not confirm reports that **at least one North Korean was killed and several others wounded**. Wi added that the ROK had lodged a protest with the DPRK via military channels urging that such an incident not be repeated and expressing hope that the incident would not negatively affect inter-Korean relations. Separately, USFK Commander General Walter Sharp called Ambassador Stephens to say that USFK and ROK forces have not detected any indications that North Korea is changing its military posture. General Sharp related that the United Nations Command would investigate whether the incident was an armistice violation. End summary. ¶2. (C) ROK Special Representative for Korean Peninsula Peace and Security Affairs, Ambassador Wi Sung-lac, called Ambassador Stephens "on instructions" to provide a readout on the November 10 exchange of gunfire between ROK and DPRK navy vessels in the West Sea. ¶3. (C) Wi offered the following chronology of events: -- At 1122 (local time), a DPRK navy vessel crossed the Northern Limit Line (NLL). **A ROK Navy ship issued three warnings to the North Koreans, instructing them to return north of the NLL. -- At 1136 (local time), the ROK ship fired a warning shot. In response, the DPRK vessel fired 50 shots at the ROK ship. 15 of the shots hit the ROK vessel but caused no serious damage. The ROK ship then fired 100 rounds at the DPRK vessel, which returned north of the NLL.** There were no ROK casualties. The ROKG believes there was at least one death and several injuries on the DPRK vessel but cannot confirm that information. ¶4. (C) Wi said the ROK had lodged a protest via military channels urging that such an incident not be repeated by the DPRK and expressing hope that the skirmish would not negatively affect inter-Korean relations. Wi noted that a KCNA statement on the incident was relatively low-key and did not mention casualties, which he said was "positive." ¶5. (C) Separately, USFK Commander General Walter Sharp called Ambassador Stephens to say that USFK has not detected any indications that North Korea is changing its military posture. He said the United Nations Command (UNC) would assess whether the incident was an armistice violation; the UNC would, per normal practice, invite the North Koreans to conduct a joint investigation. STEPHENS"

WikiLeaks      cable:      Tuesday,      10      November      2009,      09:35  
S      E      C      R      E      T      RANGOON      000732  
SUBJECT:      BURMA:      ANOTHER      CONVERSATION      ABOUT      BURMA-DPRK  
NUCLEAR ISSUE 1. (S) [NAME REMOVED], who on [DETAILS REMOVED] informed Australian Ambassador Chan in Rangoon that Burma and the DPRK were engaged in "peaceful nuclear cooperation" (reftel), has changed [DETAILS REMOVED] story. In a November 9 conversation with Ambassador Chan, [NAME REMOVED] said there had been a "misunderstanding." After Chan's "blunt" response to the August revelation (Chan had responded with incredulity to the thought that the GOB might consider nuclear cooperation of any sort with the DPRK to be acceptable), [NAME REMOVED] had checked around Nay Pyi Taw. [DETAILS REMOVED] now says GOB-DPRK conversations were merely "exploratory." [NAME REMOVED] cannot confirm any direct nuclear cooperation. [DETAILS REMOVED] added that, in any case, the Kang Nam 1 affair and Secretary Clinton's remarks in Phuket in July "put everything on hold." 2. (S)[NAME REMOVED] observed that Russia is the key GOB partner for a nuclear reactor, but [DETAILS REMOVED] said there has been no progress. Russia has proposed a commercial deal, and the GOB cannot afford it. [NAME REMOVED] added that many countries have relations with the DPRK, including Australia, "so why worry?!" Comment 3. (S) As with many issues in Burma, the truth behind and possible motivations for [NAME REMOVED] first version and the recent revision are difficult to ascertain. Ambassador Chan now believes [DETAILS REMOVED] was simply speculating in August and has corrected the record. We were not in the actual conversations, but to us [DETAILS REMOVED] revision sounds more like an effort to cover a lapse in judgment than to deny the earlier story outright. The comment about the Kang Nam 1 and the Secretary's remarks having "put everything on hold" leave room for concern. That noted, other of [NAME REMOVED] comments have caused us to question just how well plugged in [NAME REMOVED] is on the "nuclear" issue. *Bottom line: GOB-DPRK cooperation remains opaque. Something is certainly happening; whether that something includes "nukes" is a very open question which remains a very high priority for Embassy reporting.* DINGER

11/11/09      A naval skirmish between the two Koreas will not derail the Obama administration's plans to send its first envoy to Pyongyang to revive dormant nuclear talks, U.S. Secretary of State Hillary Clinton said. This does not in any way affect the decision to send Ambassador Bosworth. We think that this is an important step that stands on its own," Clinton told a news conference on the sidelines of an APEC meeting in Singapore. "We're obviously hoping the situation does not escalate, encouraged by the calm reaction that has been present up until now," Clinton said. South Korean President Lee Myung-bak has tried to prevent Tuesday's clash from harming a recent warming of ties between the Koreas, who are technically still at war because their 1950-53 conflict ended with a cease fire and not a peace treaty. "We do not want this to be an obstacle in the improvement of South-North Korea relations," Kim Eun-hye, a spokeswoman for the presidential Blue House. (David Alexander, "Clinton Says Naval Fight Won't Deter U.S. Envoy," Reuters, November 11, 2009)

11/12/09      KCNA: "The south Korean forces will be forced to pay dearly for the grave armed provocation perpetrated by them in the waters of the north side in the West Sea of

Korea on November 10. This warning is served by papers in signed commentaries. *Rodong Sinmun* observes: The south Korean military authorities are now making much fuss in a bid to mislead the public opinion, describing the proper measure for self-defense taken by the north against a group of warships of the south Korean forces as "the third skirmish in the West Sea." This is like a thief crying "Stop the thief!" The latest armed clash in the West Sea was not a simple accidental incident but a deliberate and premeditated provocation perpetrated by the south Korean military in an effort to escalate the tension on the Korean Peninsula, the daily notes, and goes on: It is a trite method of the south Korean warmongers to perpetrate a shocking provocation to derail any process for improving the north-south relations. Nobody can deny the fact that the armed provocation perpetrated by them again in the West Sea is nothing but a deliberate and vicious move for increasing the tension and a dangerous war action of those much upset by the trend of the situation on the peninsula. This is a clear indictment meted out to the south Korean warmongers hell bent on the treacherous acts to disturb the peace on the peninsula and do harm to fellow countrymen by force of arms in collusion with outside forces while hamstringing the efforts to improve the inter-Korean relations. The artillery pieces of the KPA convinced of justice and afire with hatred are now leveled at the provokers. The south Korean military had better face up to the trend of the times and behave itself. *Minju Joson* urges the south Korean military authorities to stop digging their own graves, make an apology to the nation for the armed provocation and take a responsible measure against the recurrence of the similar case." (KCNA, "S. Korea Will Be Forces to Pay Dearly for Armed Provocations," November 12, 2009)

11/13/09

Some observers are saying that while South Korea maintains a steely level of military preparedness, it must also show renewed interest in finding a way to reduce tensions in the West Sea, a search that was suspended when the Lee Myung-bak administration came to power. Systemic efforts to bring peace to the West Sea hit their high point in the October 4 2007 Summit Declaration. At the time, the leaders of North Korea and South Korea said they had decided to declare a joint-fishing zone in order to prevent accidental clashes in the West Sea. They also put forward plans to turn the West Sea into a zone of peace and cooperation rather than a conflict zone through the establishment of direct shipping lanes to the North Korean port of Haeju and the construction of an industrial complex in the city. In the defense ministers' summit and generals' talks that followed, however, the two sides could not overcome their differences regarding the NLL and failed to establish a joint fishing zone or zone of peace. With the taking power of the Lee Myung-bak administration, which has advocated adhering to the NLL, follow-up efforts to push a West Sea special zone of peace and cooperation have been completely suspended. Even working-level mechanisms that had been in place to prevent accidental clashes in the West Sea have been suspended since President Lee took office. During the inter-Korean general-level talks of June 2004, the two sides agreed to set up a wireless communication net between opposing patrol boats and install three direct phone lines between the two militaries in the West Sea to exchange information pertaining to illegal fishing boats. Since President Lee has taken office, however, wireless communications have not taken place as inter-Korean relations have remained deadlocked. The telephone lines were also cut by North Korea in May of last year, citing faulty lines. They have yet to be restored. Last month, South Korea offered to



provide materials and equipment to improve the lines, but whether the lines, the object of which is to prevent accidental clashes in the West Sea, will operate again is unknown. The Lee administration is still stressing only military preparedness. (*Hankyore*, "Measures Needed to Prevent Future West Sea Conflicts," November 13, 2009)

In an exclusive written interview with Yonhap just hours before he left Washington for an eight-day trip that brings him to South Korea, Japan, China and Singapore. U.S. President Barack Obama warned that North Korea will face continued international sanctions unless it returns to the six-party talks and takes irreversible steps toward denuclearization. "This is the choice that North Korea faces," Obama said. "North Korea has the opportunity to move towards acceptance by the international community if it will comply with its international obligations and live up to its own commitments. By taking irreversible steps towards the complete elimination of its nuclear program, North Korea will be following the peaceful path towards security and respect." Obama said his administration is ready to have a bilateral dialogue with North Korea within the six-party framework. "We believe the six-party talks are the best framework for reaching peaceful resolution and that the September 2005 Joint Statement clearly lays out the goals we must achieve," he said. "We are open to a bilateral meeting as part of the six-party process if that will lead to an expeditious resumption of the denuclearization negotiations." "North Korea's nuclear and missile capabilities are a grave concern, not only to the Republic of Korea and the United States, but to the international community," he said. "This is an issue that President Lee and I have discussed in depth and we will hold consultations on this and other subjects in Seoul later this month." Obama also said he will seek a comprehensive resolution of North Korea's nuclear and missile programs, putting an end to the controversy over the so-called grand bargain approach Lee recently proposed for the denuclearization of North Korea through a comprehensive deal rather than a piecemeal approach. "President Lee and I are in full agreement on the need to achieve a comprehensive resolution of the nuclear, missile, and proliferation problems, and cooperation between our two governments is extremely close," he said. [Comprehensive solution is not the same thing as grand bargain.] (Yonhap, "Obama Says Pyongyang Must Follow Agreements," *JoongAng Ilbo*, November 14, 2009)

Tens of thousands of well-wishers gathered outside Japan's moat-ringed Imperial Palace -- many shouting "Banzai," a traditional wish for long life -- to mark Thursday's 20th anniversary of Emperor Akihito's coronation to the world's oldest throne. In a rare news conference before the anniversary, the 75-year-old monarch said he is concerned that Japanese will forget their past. "The reign of my father began at a very difficult time," Akihito said, adding that his father was "reluctant" about the events that led to war. "He viscerally knew the importance of peace." He said, "What worries me most is that the history of the past will gradually be forgotten." (Associated Press, "Japan Cheers Emperor," *New York Times*, November 13, 2009, p. A-6)

WikiLeaks cable: "C O N F I D E N T I A L SEOUL 001804

SUBJECT: ADDITIONAL DETAILS ON TROIKA VISIT TO NORTH KOREA

¶1. (C) During the EU Troika's October 26-30 visit to North Korea, interlocutors had consistently stressed that Pyongyang was ready to discuss "anything" with Washington,

without preconditions, according to EU Commission DCM Uwe Wissenbach. The 2009 harvest appeared to have been only slightly worse than the previous year and food appeared to be widely available at unofficial markets, albeit in limited amounts and usually at a high price for non-elites. Private plots were tended with great care, using practically "every inch" of arable land, and the produce sold or bartered at unofficial markets. Provincial hospitals faced a constant and critically acute shortage of basic medicines. Wissenbach observed a growing diversity of luxury vehicles on the streets of Pyongyang, including a Porsche Cayenne and a Hummer. Propaganda banners/posters for the "100-Day Battle" economic mobilization campaign were omnipresent, as were signboards counting down the days left in the drive -- as if to give voice to the unspoken desire of the populace to "just get the thing over with." End summary. ¶2. (C) EU Commission DCM Uwe Wissenbach met with PoOffs November 6 to provide some additional insights from the EU Troika's October 26-30 visit to North Korea. Wissenbach, who was part of the delegation, said the consistent theme of all their meetings with DPRK officials was: Please tell Washington that we are ready to talk about anything, without preconditions... "

11/13/09 France's special envoy to North Korea, Jack Lang, said following a five-day visit to the reclusive state that Pyongyang had agreed to an "exchange" with Paris on human rights issues. "The top leaders announced that as a special gesture to France, they had accepted our proposal for an exchange on human rights with France," Lang told AFP in an interview shortly after his arrival in Beijing. Lang noted that Pyongyang had previously cut off similar talks with the European Union on the same issue. (AFP, "French Envoy Says N. Korea Accepts Talks on Human Rights," November 13, 2009) Lang is said to have met with North Korea's nominal head of state Kim Young-nam for ten hours during which they explored ways to normalize diplomatic ties. (*Chosun Ilbo*, "French Envoy Discussed 'Sensitive' Issues in Pyongyang," November 17, 2009) Asked about the difficult topics of nuclear proliferation and the country's labor camps, Lang said they were "two subjects Korean leaders and I discussed at great length." Lang, speaking to RFI radio, TV5Monde television and *Le Monde*, said North Korean officials insisted that "today there is no transfer of fissile or ballistic materials outside of Korea." Lang said he was taking the statement seriously, though he added, "we can ask, do you have proof?" Lang said he plans to brief Sarkozy and Foreign Minister Bernard Kouchner soon about the trip, which included 10 hours of talks with officials. Lang says his personal opinion on how to engage the regime is to tackle one issue at a time. "If we try to settle everything all at once, we won't settle anything," he said. (Associated Press, "French Envoy Talks about Trip in North Korea," November 16, 2009) KCNA: "The French side informed the DPRK that it decided to establish the French Cooperation and Cultural Action Office in Pyongyang as a step[ of the first phase for normalizing the relations between the two countries according to the results of his visit to the DPRK. The DPRK consented to France's opening of the office in Pyongyang, p[roceeding from the stand to boost the relations with France." (KCNA, "DPRK Consents to French Plan to Open Office," December 17, 2009)

KCNA: "The head of the north side delegation to the North-South General-Level Military Talks sent the following notice to the south side, clarifying the truth behind the recent armed provocation in the West Sea and the principled stand of the Korean

People's Army on it in connection with the south side's sophism making profound confusion of right and wrong over the incident: It is the politically motivated shameless provocation to resort to a futile military adventure to preserve the illegal 'northern limit line' still today when the times have changed. Warships of the navy of the south Korean forces described the exercise of the right to self-defense by a patrol boat of the north side as 'an act of trespassing on the above-said line' and preempted the firing of direct sighting shots and 'shots aimed at destroying it,' not 'warning shots' though they were well aware that the patrol boat and its crew sailed to confirm an unidentified object. This was an inexcusable deliberate and open military provocation. The rash action perpetrated by them, firing thousands of bullets and shells with several warships involved at a time was a premeditated action of the rightwing conservative forces and bellicose military group of the south side to stem the trend of the situation on the Korean Peninsula which has shown a sign of detente through the third skirmish in the West Sea. Upon the authorization, I notify the south side of the following principled stand of the KPA on the gravity of the incident: 1. The south side should make an apology to the nation for orchestrating the recent incident and putting it into practice and take a proper measure to promptly punish the prime movers of the incident as maniacs of confrontation with fellow countrymen and harassers of peace. 2. The south side should behave with discretion as required by the times and the desire of the nation, clearly mindful that its stand to preserve the 'northern limit line' no longer works. 3. Reminding again that there exists in the West Sea of Korea only the extension of the Military Demarcation Line in the waters set by the KPA side, it will take merciless military measures to defend the extension from this moment. 4. The south side will be held fully accountable for having disturbed the reconciliation and unity of the nation and hamstrung the efforts to achieve peace and reunification and have to pay a dear price for them." (KCNA, "DPRK Takes Merciless Action to Defense the MDL," November 13, 2009)

North Korea continued to mix hostile rhetoric with its softer attitude toward South Korea, a move officials here say indicates that Pyongyang ultimately wants to maintain solid ties with Seoul. The North threatened to take "merciless military measures" to protect its own Yellow Sea border with South Korea, once again refusing to recognize the disputed Northern Limit Line. The North also reiterated its demand for the South's apology for Tuesday's skirmish, which occurred after a North Korean boat crossed the NLL on the Yellow Sea. But later in the day, a North Korean merchant ship was scheduled to dock at Incheon Port on the west coast in the South to deliver goods for inter-Korean trade. It was to become the first North Korean vessel to travel to the South since the inter-Korean naval clash in the Yellow Sea. Koh Yu-hwan, professor of North Korean studies at the Dongguk University, said the North Korean military is taking a belligerent stance because it may not want to admit defeat, and at the same time it wants to remind the South that there's always a possibility for another provocation. But even as the North issued threats on the South, a North Korean vessel named Geumbit - literally meaning golden glitter - was on its way to the Incheon Port carrying 2,000 tons of casting silica. North Korean merchant vessels regularly deliver goods for trade with South Korea. Sources said the North's Ministry of Marine Transportation contacted the South's Unification Ministry about the Geumbit on the day the naval exchange took place, and again the following day. Sources also said the Geumbit traveled past

Daecheong Island, which is located close to where the clash occurred, and across the NLL. The South-North Korea Exchanges and Cooperation Support Association, which delivers goods to North Korea for the South Korean government, sent new communication equipment to Kaesong north of the border on Thursday. On Oct. 28, the Unification Ministry said it would provide optical cables and conduit lines to help upgrade the North's military communications. (Yoo Jee-ho and Lee Young-jong, "North Threatens Retaliation While Sending Ship Here," *JoongAng Ilbo*, November 13, 2009)

Some observers are saying that while South Korea maintains a steely level of military preparedness, it must also show renewed interest in finding a way to reduce tensions in the West Sea, a search that was suspended when the Lee Myung-bak administration came to power. Systemic efforts to bring peace to the West Sea hit their high point in the October 4 2007 Summit Declaration. At the time, the leaders of North Korea and South Korea said they had decided to declare a joint-fishing zone in order to prevent accidental clashes in the West Sea. They also put forward plans to turn the West Sea into a zone of peace and cooperation rather than a conflict zone through the establishment of direct shipping lanes to the North Korean port of Haeju and the construction of an industrial complex in the city. In the defense ministers' summit and generals' talks that followed, however, the two sides could not overcome their differences regarding the NLL and failed to establish a joint fishing zone or zone of peace. With the taking power of the Lee Myung-bak administration, which has advocated adhering to the NLL, follow-up efforts to push a West Sea special zone of peace and cooperation have been completely suspended. Even working-level mechanisms that had been in place to prevent accidental clashes in the West Sea have been suspended since President Lee took office. During the inter-Korean general-level talks of June 2004, the two sides agreed to set up a wireless communication net between opposing patrol boats and install three direct phone lines between the two militaries in the West Sea to exchange information pertaining to illegal fishing boats. Since President Lee has taken office, however, wireless communications have not taken place as inter-Korean relations have remained deadlocked. The telephone lines were also cut by North Korea in May of last year, citing faulty lines. They have yet to be restored. Last month, South Korea offered to provide materials and equipment to improve the lines, but whether the lines, the object of which is to prevent accidental clashes in the West Sea, will operate again is unknown. The Lee administration is still stressing only military preparedness. (*Hankyore*, "Measures Needed to Prevent Future West Sea Conflicts," November 13, 2009)

11/14/09

Obama in Tokyo: "Yet, even as we confront this challenge of the 21st century, we must also redouble our efforts to meet a threat to our security that is the legacy of the 20th century -- the danger posed by nuclear weapons. In Prague, I affirmed America's commitment to rid the world of nuclear weapons, and laid out a comprehensive agenda to pursue this goal. (Applause.) I am pleased that Japan has joined us in this effort, for no two nations on Earth know better what these weapons can do, and together we must seek a future without them. This is fundamental to our common security, and this is a great test of our common humanity. Our very future hangs in the balance. Now, let me be clear: **So long as these weapons exist, the United States will maintain a strong and effective nuclear deterrent that guarantees the defense of our allies -- including South Korea and Japan.** (Applause.) But we must recognize that an

escalating nuclear arms race in this region would undermine decades of growth and prosperity. So we are called upon to uphold the basic bargain of the Nuclear Non-Proliferation Treaty -- that all nations have a right to peaceful nuclear energy; that nations with nuclear weapons have a responsibility to move toward nuclear disarmament; and those without nuclear weapons have a responsibility to forsake them. Indeed, Japan serves as an example to the world that true peace and power can be achieved by taking this path. (Applause.) For decades, Japan has enjoyed the benefits of peaceful nuclear energy, while rejecting nuclear arms development -- and by any measure, this has increased Japan's security and enhanced its position. To meet our responsibilities and to move forward with the agenda I laid out in Prague, we have passed, with the help of Japan, a unanimous U.N. Security Council resolution embracing this international effort. We are pursuing a new agreement with Russia to reduce our nuclear stockpiles. We will work to ratify and bring into force the test ban treaty. (Applause.) And next year at our Nuclear Security Summit, we will advance our goal of securing all the world's vulnerable nuclear materials within four years. Now, as I've said before, strengthening the global nonproliferation regime is not about singling out any individual nations. It's about all nations living up to their responsibilities. That includes the Islamic Republic of Iran. And it includes North Korea. For decades, North Korea has chosen a path of confrontation and provocation, including the pursuit of nuclear weapons. It should be clear where this path leads. We have tightened sanctions on Pyongyang. We have passed the most sweeping U.N. Security Council resolution to date to restrict their weapons of mass destruction activities. We will not be cowed by threats, and we will continue to send a clear message through our actions, and not just our words: North Korea's refusal to meet its international obligations will lead only to less security -- not more. Yet there is another path that can be taken. Working in tandem with our partners -- supported by direct diplomacy -- the United States is prepared to offer North Korea a different future. Instead of an isolation that has compounded the horrific repression of its own people, North Korea could have a future of international integration. Instead of gripping poverty, it could have a future of economic opportunity -- where trade and investment and tourism can offer the North Korean people the chance at a better life. And instead of increasing insecurity, it could have a future of greater security and respect. This respect cannot be earned through belligerence. It must be reached by a nation that takes its place in the international community by fully living up to its international obligations. So the path for North Korea to realize this future is clear: a return to the six-party talks; upholding previous commitments, including a return to the nuclear Non-Proliferation Treaty; and the full and verifiable denuclearization of the Korean Peninsula. **And full normalization with its neighbors can also only come if Japanese families receive a full accounting of those who have been abducted.** (Applause.) These are all steps that can be taken by the North Korean government if they are interested in improving the lives of their people and joining the community of nations." (President Barack Obama, Suntory Hall, Tokyo, November 14, 2009)

President Obama, seeking to mend fences with Japan announced that he would establish a high-level working group on the contentious issue of the continuing presence of a Marine base on Okinawa. The decision, announced at a news conference with PM Hatoyama Yukio just hours after he touched down in Tokyo to begin his first

presidential trip to Asia, appears to represent a concession by the Obama administration to at least consider Japan's concerns about the base, which is unpopular on Okinawa and which the new Japanese government had promised to try to move off the island. Less than a month ago, Defense Secretary Robert M. Gates seemed to shut the door on renegotiating a deal reached in 2006 to relocate the United States Marine air station in Futenma to a less populated part of Okinawa. Obama was, in effect, making a political gift to Mr. Hatoyama: seeming to reopen a door Gates had shut, even though Japan policy experts indicated that the establishment of the working group was most likely only a face-saving way for the new prime minister to show the Japanese public that he was keeping a campaign promise. Obama's visit comes at a time when relationships between the two allies have hit their lowest point in years and Mr. Hatoyama searches for a more "equal partnership." Today, both leaders emphasized the importance of the relationship, and stressed that the two sides were seeing eye to eye. Standing beside Obama at the Japanese equivalent of the White House, the Kantei, Hatoyama said, "We've come to call each other Barack and Yukio, and gotten quite accustomed to calling each other by our names." White House officials said that the United States had agreed only to talks "on the implementation" of the 2006 Okinawa agreement, and said they did not expect to alter the larger shape of the agreement, which also calls for relocating about 8,000 Marines to Guam. "It is a fact that we did campaign on this issue, and the Okinawans do have high expectations," Hatoyama said, explaining why he was intent on reopening the subject. The United States also appeared to give ground on the other security point of dispute, accepting Mr. Hatoyama's pledge of \$5 billion in aid to Afghanistan, which the prime minister linked to his government's decision to end the Japanese Navy's refueling mission near Afghanistan. Obama said the promise "underscores Japan's prominent role" in the international effort in Afghanistan. Still, there have been ample signs that the half-century alliance may be entering a new phase. Recently, squabbles between the United States and Japan have focused mostly on trade disputes over luxury cars and semiconductors, while the security alliance between the two remained stable. Now, the conflicts have shifted to security, more specifically, on the Marine bases on Okinawa, the southern island that is home to about two-thirds of the 37,000 shore-based United States military personnel in Japan. Okinawans have said that they shoulder a disproportionate burden, and simmering resentments erupted in 1995 after the rape of a 12-year-old schoolgirl by three American servicemen. In 2006 the United States agreed to rebase thousands of soldiers to Guam, and to move the Marine base at Futenma elsewhere on Okinawa. But Hatoyama campaigned for office on a pledge to move the airfield off Okinawa altogether. Political analysts and the Japanese news media now speak of a communication gap opening between Washington and Tokyo, which has led to what they call excessive American concerns that Japan may try to alter the two nations' postwar military alliance. These analysts say that the two nations are actually much closer on bilateral issues than they realize, and that Japan cannot afford to alienate a protector upon whom it still relies for its security as it faces a fast-rising China and a nuclear-armed North Korea. But they say relations have fallen into a vicious cycle in which Tokyo sends conflicting signals, and Washington makes matters worse by raising public pressure. Yasunori Sone, a professor of political and policy analysis at Keio University in Tokyo, said of the Japanese leaders: "There are too many places where we don't know what the new government really wants. Their public relations have

been poor." At the same time, the experts also blame the Obama administration for overreacting to what they say is essentially language aimed at a domestic audience and for failing to see that Tokyo's government has little stomach for big changes to the alliance. Japanese officials, in Washington last month to prepare for Obama's trip, asked their American counterparts and foreign policy experts to give the new Japanese government time to get its house in order. The American frustration over the Hatoyama government's refusal to back down from the campaign pledges on the Okinawa base came to a head when Mr. Gates visited Tokyo in October. Gates, known for speaking bluntly, pressed Mr. Hatoyama and Japanese military officials to keep their commitment on the military agreements. "It's time to move on," Gates said, calling Japanese proposals to reopen the base issue "counterproductive." Then, adding insult to injury in the eyes of Japanese commentators, Gates turned down invitations to attend a welcoming ceremony at the Defense Ministry and to dine with officials there. (Helene Cooper and Martin Fackler, "Obama, in Japan, Says U.S. Will Study Status of a Marine Base on Okinawa," *New York Times*, November 14, 2009, p. A-1)

11/17/09 *Rodong Sinmun* signed article: "We took such various measures for inter-Korean reconciliation and cooperation as having solved the important problems for the resumption of tourism of Mt. Kumgang and Kaesong, revitalization of the work in the Kaesong Industrial Zone and reunion of separated families and relatives at Mt. Kumgang resort with the autumn festival as an occasion. Those magnanimous measures came from the patriotic desire to improve the deteriorated inter-Korean relations by any means and develop the movement for national reunification. All the fellow countrymen have fully supported these just measures taken by the DPRK to dispel pent-up misunderstanding and distrust and improve the relations between the north and the south while urging the south Korean authorities to respond to them without any condition. However, prevailing in south Korea is the serious situation quite contrary to the desire and demand of the fellow countrymen. It is impossible to normalize the north-south relations under such condition that one side incites confrontation against its dialogue partner, distrusting it and even perpetrates military provocations. There will be nothing but war between the north and the south when they are hostile to each other and the military tension gets aggravated. Whether the inter-Korean relations will get improved or aggravated depends entirely on the attitude of the south Korean authorities. It is utterly absurd to insist on the confrontation with poor discrimination and obsessed with outdated conception while failing to squarely see the desire of the fellow countrymen for the improvement of inter-Korean relations, which will lead to a wide avenue for the independent reunification, peace and prosperity, and the trend of the times towards dialogue and detente. Such rash deed will certainly bring bitter regret and catastrophe only to the confrontation elements. We will strive for the improvement of the inter-Korean relations in the future, too." (KCNA, "Improved Inter-Korean Relations Demanded," November 18, 2009)

North Korea made an unusually straightforward peace overture, vowing efforts to improve relations with South Korea and resolve tension stoked by a recent naval confrontation. The conciliatory move, in a *Rodong Sinmun* editorial carried by KCNA, came on the eve of U.S. President Barack Obama's two-day visit to South Korea. "We will continue to make active efforts for the improvement of North-South relations," the

Workers' Party paper said. North Korean leader Kim Jong-il has called improving inter-Korean relations an "urgent" matter to bring peace to the peninsula, the paper cited. The party newspaper's overture was in sharp contrast to the threatening tone the North Korean military took last week, warning of "merciless" military actions over a naval skirmish on November 10. "In such circumstances where one party distrusts its dialogue partner and escalates confrontation and even carries out a military provocation, North-South relations cannot be normalized," the paper said. "In the midst of mutual hostility and escalating military tension, nothing but war will break out." *Rodong Sinmun* also criticized the recent completion by South Korea and the U.S. of their joint action scenario, called OPLAN 5029, to deal with contingencies in North Korea. Yang Moo-jin, professor at the University of North Korean Studies in Seoul, said North Korea timed its overture to coincide with Obama's summit with South Korean President Lee Myung-bak. "It says improving relations with South Korea and also the United States is Chairman Kim Jong-il's resolution," Yang said. "There is a more direct message than usual - 'Let us not be swayed by the naval skirmish and the military hawks and do right by each other between our governments.'" (Kim Hyun, "N. Korea Extends Olive Branch to South ahead of Obama Visit," Yonhap, November 17, 2009)

WikiLeaks cable: "S E C R E T TOKYO 002676 SUBJECT: ASD GREGSON DISCUSSES NORTH KOREA AND CHINA WITH MOFA DG SAIKI ¶1. (S) Summary: Ministry of Foreign Affairs Asian and Oceanian Affairs Director General Akitaka Saiki said in a November 17 meeting with Assistant Secretary of Defense for Asian and Pacific Security Affairs Wallace Gregson that the Japanese government fully supports U.S. bilateral engagement with North Korea in an effort to convince North Korea to return to the Six-Party Talks. **Saiki cautioned that the United States should "go slow" and not be "beguiled" by North Korea. The main issue is not convincing North Korea to return to the talks, but rather the content of future negotiations, in particular how to address the "verification" component of the "complete, verifiable, irreversible dismantlement" of nuclear weapons programs. Saiki found merit in South Korea's "Grand Bargain" approach as it is similar to that of Japan.** Key to a successful outcome of future negotiations will be close coordination between the United States, Japan and South Korea, he said. Regarding China, ASD Gregson and Saiki agreed to conduct further meetings to explore the possibility of conducting enhanced U.S.-Japanese military operational planning and training as a rational way to respond to China's military buildup. End Summary. ¶2. (S) On November 17, Assistant Secretary of Defense for Asian and Pacific Security Affairs Wallace Gregson met Ministry of Foreign Affairs (MOFA) Asian and Oceanian Affairs Director General Akitaka Saiki to discuss recent developments regarding North Korea and China. Saiki opened by telling ASD Gregson that he is very pleased with the close coordination between the USG and the Government of Japan (GOJ) regarding U.S. policy toward North Korea in general, and the operational and substantive details of the planned bilateral meeting between Special Representative for North Korea Policy Ambassador Stephen Bosworth and North Korean interlocutors in particular. Noting that he was repeating the words of Prime Minister Hatoyama to the President, and those of Foreign Minister Okada to Secretary of State Clinton, **Saiki said the GOJ fully endorses U.S. diplomatic efforts to engage North Korea bilaterally to encourage North Korea to return to the Six-Party Talks. That said, Saiki cautioned that the United States need not "rush" to**



**North Korea. Saiki mentioned that Japan had gone through similar, relationship-thawing experiences with North Korea, and noting that he was invoking the words of Secretary of Defense Gates, he cautioned the United States not "to buy the same horse twice." ¶3. (S) Saiki said he does not want to discourage U.S. efforts to lead North Korea back to the Six-Party Talks, but does not want North Korea to get the impression that the international community will do anything simply to get it back to the negotiations. The main issue is not North Korea's return to the talks, he said, but rather the substance of negotiations after they restart. In Saiki's view, verification is the main issue. Saiki noted that in December 2008, the United States, Japan and the Republic of Korea (ROK) had agreed to a very high standard of verification, but that agreement fell apart due to "poor handling by the Chinese chair." This time, Saiki continued, the United States, GOJ and ROK need to have a well-coordinated game plan before going back to Beijing for the talks. Saiki emphasized that it will be very important for the United States, Japan and the ROK to coordinate a negotiation plan quietly and closely prior to the actual negotiations. Saiki also mentioned that the GOJ is "sympathetic" to, and sees merit in, the ROK-envisioned Grand Bargain approach, primarily because it is similar to the GOJ's own design. ¶4. (S) ASD Gregson assured Saiki that the United States does not plan to reward or give North Korea anything simply for returning to the Six-Party Talks, and emphasized that a "Grand Bargain" is possible only after North Korea agrees to the complete, verifiable, irreversible dismantlement (CVID) of its nuclear weapons programs. ASD Gregson underscored that a foundation of alliance solidarity among the United States, Japan and ROK, coupled with a broader international consensus regarding United Nations Security Council resolutions, is the best way to compel North Korea to act responsibly. The United States does not plan to pursue extended bilateral contact with North Korea, but is willing to meet bilaterally as part of the multilateral effort to get North Korea back to the negotiations, he added. ¶5. (S) Turning to the recent exchange of gunfire between ROK and DPRK naval vessels along the Northern Limit Line (NLL), Saiki asked if the U.S. assesses the incident as accidental or intentional. ASD Gregson noted that such incidents had been tracking farther and farther north along the NLL, and that the United States had not yet made a final assessment regarding this most recent one. PDAS Donovan added that the fact that North Korea had not followed up the clash with its usual high-volume vitriol indicates that it may be trying to calm tensions. ¶6. (S) Turning to China, Saiki said that the GOJ is concerned about China's military buildup and its aspirations to build its own aircraft carrier. In response to a question from Saiki, ASD Gregson noted that the United States considers China's military development to be a concern, and China's explanation of the buildup to be unsatisfactory. As such, ASD Gregson continued, the defense interests of the United States and Japan would be best served by enhanced U.S.-Japan dialogue. ASD Gregson suggested that Japan and the United States conduct more bilateral planning and training at the operational, not simply tactical, level. Such training will show China that the United States and Japan are more capable of working together militarily, and would be a rational response to China's military buildup, he added. Saiki expressed his support for the plan and for the need for further bilateral consultations. ASD Gregson ended by noting that he would welcome the consultations and that he looked forward to building a planning and training program. ¶7. (U) ASD Gregson was accompanied by Principal Deputy Assistant Secretary of State**

for East Asian and Pacific Affairs Joseph Donovan, the DCM, Deputy Assistant Secretary of Defense for East Asia Michael Schiffer, Embassy Pol Min/Couns, Embassy Pol-Mil Chief and Embassy notetaker. Director General Saiki was accompanied by MOFA Northeast Asia Division Director Junji Shimada, MOFA Northeast Asia Deputy Director Shunji Maeda and MOFA China and Mongolia Division Deputy Director Manabu Ota. ¶8. (U) ASD Gregson cleared this cable. ROOS"

11/16-17/09 Obama-Hu summit. In six hours of meetings, at two dinners and during a stilted 30-minute news conference in which President Hu Jintao did not allow questions, President Obama was confronted, on his first visit, with a fast-rising China more willing to say no to the United States. On topics like Iran (Hu did not publicly discuss the possibility of sanctions), China's currency (he made no nod toward changing its value) and human rights (a joint statement bluntly acknowledged that the two countries "have differences"), China held firm against most American demands. With China's micro-management of Obama's appearances in the country, the trip did more to showcase China's ability to push back against outside pressure than it did to advance the main issues on Obama's agenda, analysts said. "China effectively stage-managed President Obama's public appearances, got him to make statements endorsing Chinese positions of political importance to them and effectively squelched discussions of contentious issues such as human rights and China's currency policy," said Eswar S. Prasad, a China specialist at Cornell University. "In a masterstroke, they shifted the public discussion from the global risks posed by Chinese currency policy to the dangers of loose monetary policy and protectionist tendencies in the U.S." White House officials maintained they got what they came for – the beginning of a needed give-and-take with a surging economic giant. With a civilization as ancient as China's, they argued, it would be counterproductive – and reminiscent of President George W. Bush's style – for Obama to confront Beijing with loud chest-beating that might alienate the Chinese. Obama, the officials insisted, had made his points during private meetings and one-on-one sessions. "I do not expect, and I can speak authoritatively for the president on this, that we thought the waters would part and everything would change over the course of our almost two-and-a-half-day trip to China," said Robert Gibbs, the White House spokesman. "We understand there's a lot of work to do and that we'll continue to work hard at making more progress." Several China experts noted that Obama was not leaving Beijing empty-handed. The two countries put out a five-point joint statement pledging to work together on a variety of issues. The statement calls for regular exchanges between Mr. Obama and Mr. Hu, and asks that each side pay more attention to the strategic concerns of the other. The statement also pledges that they will work as partners on economic issues, Iran and climate change. But despite a conciliatory tone that began weeks ago when Obama declined to meet the Tibetan spiritual leader, the Dalai Lama, before visiting China to avoid offending China's leaders, it remains unclear whether Obama made progress on the most pressing policy matters on the American agenda in China or elsewhere in Asia. The president has had to fend off criticism from American conservatives that he appeared to soften the American stance on the positioning of troops on the Japanese island of Okinawa, and for bowing to Japan's emperor. At an ASEAN regional conference in Singapore, Obama announced a setback on another top foreign policy priority, climate change, acknowledging that comprehensive agreement to fight global warming was no longer within reach this year.

(Helene Cooper, "China Holds Firm on Major Issues in Obama's Visit," *New York Times*, November 18, 2009, p. A-1)

11/18/09

The main opposition Democratic Party (DP) delayed a decision on whether to object to the government's plan to dispatch more civilian reconstruction workers accompanied by security forces to Afghanistan. "We have decided to make a decision on the matter later after collecting opinions from all party lawmakers," a DP official told reporters, after a meeting of legislators. There were pros and cons, he said. Despite the controversy, the plan can pass through the legislature as the governing Grand National Party has 169 of 298 seats, enough to endorse it. The DP holds 87 seats. The government is preparing for the troop dispatch based on the research results of the inter-agency inspection team, which returned home Wednesday from its six-day mission. "We don't think that sending our troops there is related to the peacekeeping operation, and our citizens are exposed to the Taliban's attacks," DP spokesman Woo Sang-ho said before the meeting. The governing party denounced the DP, calling it self-contradictory. "When the DP came to power, it led the troop dispatch. But now it seems to oppose the plan," said GNP lawmaker Kim Seong-jo. Korea withdrew its troops, medics and engineers from Afghanistan in 2007 after 23 missionaries were abducted by the Taliban. Two of the hostages were killed before the remaining 21 were freed under the condition that Seoul would withdraw its troops from the country. (Kim Sue-young, "DP Delays Decision on Afghan Troop Dispatch," *Korea Times*, November 18, 2009)

Pyongyang has suggested working-level talks to discuss resuming the suspended tours to Mount Kumgang, but the South Korean government has yet to take a stance on the proposal. Yonhap reported yesterday that Ri Jong-hyuk, vice chairman of the North's Korean Asia-Pacific Peace Committee in charge of inter-Korean relations, told Hyundai Group Chairwoman Hyun Jeong-eun at Mount Kumgang that the North was "willing to listen to and discuss whatever demands the South may have" pertaining to resuming the tour program to the Mount Kumgang resort north of the border. According to the report, the North also suggested having an on-site investigation into the fatal shooting of a South Korean tourist there last year. YTN television network reported that Ri told Hyun that the North wanted to make an official proposal for inter-Korean talks and asked Hyun to relay the message to the South Korean government. South Korea attached preconditions to any resumption of the tour. It asked the North Korean government to pledge to prevent recurrence of a similar incident, to guarantee safety for South Koreans, and to present further details about the shooting. The North has previously rejected the South's demand for an on-site investigation. In August of last year, a spokesman for a North Korean army unit at Kumgang said, "Hyundai employees visited the Kumgang resort to take the body of the victim and that is the end of the on-site investigation." UnifMin spokesman Chun Hae-sung said he hadn't been aware of Ri's comments before he read media reports and that, as of yesterday, the ministry had not been briefed by Hyundai. "There may have been some discussions at a working-level regarding the inter-Korean talks, but we can't acknowledge such exchanges as being official," Chun explained, before adding that Hyundai was expected to offer more details about Hyun's trip this week. A high-ranking ministry official said he was "none too pleased" with the way North Korea has made overtures through Hyundai, a private company, rather than through the government channels. "Our official communication

channels are operating just fine," he said. "We've insisted all along that our preconditions must be met before the tour could restart and I don't think it's appropriate for us to change our stance just because of the recent reports." As speculation grows surrounding Kumgang tours, the Koreas managed to cooperate on the fight against the new H1N1 flu. South Korea yesterday decided to set up a fever detecting camera at North Korea's border checkpoint for South Koreans traveling to and from the Kaesong Industrial Complex. The South in September installed the detection system at the South Korean border checkpoint. An official at the Unification Ministry said the North has recently made a specific request for the detecting camera. It won't require approval by the Unification Minister because it would be provided in a humanitarian move, the official added. A South Korean worker at Kaesong was diagnosed with the new flu on November 14 but no additional cases have been reported. (Yoo Jee-ho, "North Suggesting New Talks on Mt. Kumgang Tours," *JoongAng Ilbo*, November 23, 2009) South Korea reasserted that it has no intention yet of reopening a Hyundai-operated tour to North Korea, as the deficit-laden company quietly marked the 11th anniversary of the suspended mountain tour program. North Korea, pressured by U.N. financial sanctions over its nuclear and missile tests, has repeatedly called for the resumption of the lucrative tours to Mount Kumgang, which South Korea suspended last year after a shooting death of a tourist. "At an appropriate time and when the climate of inter-Korean relations and other conditions are ripe, I believe there will naturally be consultations between the South and the North over the issue," Unification Ministry spokesman Chun Hae-sung said in a press briefing. "But at this moment, I'd like to clarify again, we don't have any specific plans to hold talks to resume the tour or to propose such talks." (Kim Hyun, "S. Korea Rules out Imminent Resumption of North Korea Tour," *Yonhap*, November 18, 2009) The South Korean government has reiterated that security must be guaranteed in order to revive tourism at North Korea's Mt. Kumgang. (*Chosun Ilbo*, "S Korea Urges Security Guarantees to Resume Mt. Kumgang," November 19, 2009)

North Korea must be ready to completely give up its nuclear ambitions before talking of rewards under Seoul's "grand bargain" that seeks to denuclearize the North in a single step, Kim Tae-hyo, secretary to President Lee Myung-bak for national security strategy, said. The countries involved in six-way nuclear negotiations will no longer commit to any deals that would only partially disable or dismantle the North's nuclear programs. "North Korea must at least be ready to dismantle its nuclear programs if it wants to come to the negotiating table for discussions on the grand bargain," Kim said on YTNcable news. "Coming to the negotiating table to discuss what it can get from the international community while hiding key elements of its nuclear programs will simply not be enough," he added. "A serious message to the North will likely emerge from the upcoming summit (between Lee and Obama)," he said. (Byun Duk-kun, "Pyongyang Must Be Willing to Abandon Nuclear Arms before Deal: Official," *Yonhap*, November 18, 2009)

North Korea appears to be taking elaborate measures to evade U.N. sanctions aimed at its nuclear and missile activities, arms trading and import of luxuries, six U.N. experts say in a new report, the first to be written by an expert panel set up by the Security Council in May to vet implementation of the sanctions. It is due to be discussed in closed-door

council consultations tomorrow. The report said there were "several indications that the DPRK is engaged in trade, transactions and activities proscribed by (U.N.) resolutions ... and is seeking to mask these transactions in order to circumvent the Security Council measures." The experts said there were several different techniques employed by the isolated communist state to conceal its involvement. "These include falsification of manifests, fallacious labeling and description of cargo, the use of multiple layers of intermediaries, 'shell' companies and financial institutions to hide the true originators and recipients. In many cases overseas accounts maintained for or on behalf of the DPRK are likely being used for this purpose, making it difficult to trace such transactions, or to relate them to the precise cargo they are intended to cover." The experts said North Korea likely also used correspondent accounts in foreign banks, informal transfer mechanisms, cash couriers "and other well known techniques that can be used for money laundering or other surreptitious transactions." On illicit arms shipments, the report raised the case of the seizure of a "substantial cargo" of weapons from North Korea. It was apparently referring to arms seized in August by the United Arab Emirates from an Australian-owned ship. (Patrick Worship, "North Korea Maneuvers to Evade U.N. Sanctions: Experts," Reuters, November 18, 2009)

North Korea proposed talks with the South on ways to resume suspended tours that used to earn the cash-strapped country millions of dollars, a source at Hyundai that operates the tours said. But whether Seoul would accept the offer remained uncertain. The proposal came when Hyundai Group Chairwoman Hyun Jeong-eun visited Mount Kumgang on the North's east coast today to mark an anniversary of the mountain tour program, the source at Hyundai Asan Corp., the North Korea business unit of Hyundai Group, said. The source spoke on condition of anonymity because of the company's sensitive position between the governments of South and North Korea. It is rare for Pyongyang to offer dialogue through a non-governmental channel. The Hyundai source could not say why the North was not directly contacting the South Korean government. The Unification Ministry did not deny the reported proposal, but refrained from commenting, saying it had yet to be "officially" briefed by Hyundai. "We have not yet received a detailed reporting about the results of the North Korea visit," ministry spokesman Chun Hae-sung told reporters. "I'll be able to say something after we officially hear from them." (Kim Hyun, "N. Korea Offers Talks with S. Korea on Lucrative Tours," Yonhap, November 20, 2009)

11/19/09

President Obama delivered a stern message to North Korea and Iran that they risk further sanctions and isolation if they do not rein in their nuclear ambitions. Appearing at a joint press conference with President Lee Myung-bak, Obama singled out Iran, where leaders have apparently rejected an offer from the West to take Iran's stockpile of enriched uranium to another country to turn it into fuel rods, which would buy time for diplomatic negotiations. "We've seen indications that for internal political reasons or perhaps because they are stuck in some of their own rhetoric, they are unable to get to 'yes,' " Obama said. "As a consequence, we have begun discussion with our international partners" on sanctions, he said. He said that over the next few weeks the United States would be developing a package of "potential steps we can take that will indicate our seriousness." Obama's words were his strongest to date and seemed to signal that he was ready to move to sanctions. On the North, Obama said he was

sending his North Korea envoy to Pyongyang next month for talks designed to try to get the nation back to the bargaining table. But he warned that even getting the North back to the table would not be enough. "I want to emphasize that President Lee and I both agree on the need to break the pattern that existed in the past in which North Korea behaves in a provocative fashion, then is willing to return to talks, and then talks for a while, and then leaves the talks and seeks further concessions," Obama said. (Helene Cooper and Martin Fackler, "Obama Takes Stern Tone on the North and Iran," *New York Times*, November 19, 2009, p. A-12) "We two leaders completely agreed on the need to resolve the North Korean nuclear issue in one single step as I proposed under a grand bargain, and agreed to discuss how to pursue that goal in close consultations," Lee said at the joint press conference. "The door is open to resolving these issues peacefully, for North Korea to see over time the reduction of sanctions and its increasing integration into the international community," Obama said. "But it will only happen if North Korea is taking serious steps around the nuclear issue. We will not be distracted by a whole host of other side efforts." The South Korean president said there was no set timeframe for the denuclearization of the communist North, but that the proposed grand bargain seeks to do so at the earliest date possible. "President Lee and I are in full agreement on a common approach going forward," Obama said. "The thing I want to emphasize is that President Lee and I both agreed on the need to break the pattern that has existed in the past, in which North Korea behaves in a provocative fashion and then returns to talks for a while and then leaves the talks seeking further concessions," Obama said at the press conference. (Byun Duk-kun, "Lee Obama Vow Efforts to Denuclearize N. Korea, ratify FTA," *Yonhap*, November 19, 2009) President Lee Myung-bak mentioned three times the idea of a "grand bargain," a comprehensive rewards package for North Korea if it abandons its nuclear program, in a press conference with U.S. President Barack Obama. Lee said Obama "completely agreed" with the idea, but Obama did not use the term himself. Instead, he called it a "common approach" or "comprehensive resolution."

That appears to bother some Korean officials, who had hoped the U.S. president would come round to using the same terminology to dispel reports here that there was a rift between Seoul and Washington over the concept. Some muttered they would have liked Obama to use the term "grand bargain" as a courtesy to his host. (*Chosun Ilbo*, "Lee Says Obama Agrees about 'Grand Bargain,'" November 20, 2009)

President Obama in Seoul announced that he will send a high-powered envoy to the North Korean capital on Dec. 8. The Obama administration has already notified Pyongyang of its plan to dispatch Stephen Bosworth, special representative for North Korea policy, in what would be its first bilateral contact with the North since taking office for the purpose of reactivating the dormant six-way nuclear negotiations. "President Obama seems to have considered South Korea's position," a South Korean nuclear negotiator told *Yonhap*, referring to Obama making the announcement himself. "It demonstrates that the two sides are in close consultation with each other on the U.S. plan for direct talks with North Korea." Cheong Seong-jang, senior researcher at Sejong Institute, a security think tank in Seoul, agreed with that view. "It shows that President Obama explained to President Lee in detail about the plan for dialogue with North Korea during the summit held just before Bosworth's trip," he said. It is a message to North Korea that "you should befriend South Korea to become a friend of the U.S.," he

added. (Lee Chi-dong, "Obama Assures Seoul Not Being Bypassed by U.S Talks with Pyongyang," Yonhap, November 19, 2009) Diplomats in Seoul say they are unconvinced that Mr Obama's choice, Stephen Bosworth, is the right man for the job. He is a part-time diplomat, keeping a university teaching job in the US. "He does not have leverage or political decision-making authority so the bilateral talks are most likely to end up with the countries just stating their own positions," said Choi Choon-heum, researcher at the Korea Institute for National Unification. "If the Obama administration wanted a significant result, he would have chosen a different figure." (Christian Oliver and Edward Luce, "Seoul Trades on Better Ties with Beijing Than with Washington," *Financial Times*, November 19, 2009, p. 3)

SecState Clinton: "We will be sending Ambassador Bosworth to Pyongyang in early December. I think the President announced the date at the summit in South Korea. And we are going to go with a very clear message that there are significant benefits to North Korea if they recommit to the verifiable, irreversible denuclearization of the Korean Peninsula. On behalf of the United States, we would explore some of the issues which they have raised continually with us over the years; namely, **normalization of relations, a peace treaty instead of an armistice, economic development assistance. All of that would be open for discussion. But the North Koreans have to commit to denuclearization.** And we also think it's important to do so within the context of the Six-Party Talks." (Secretary of State Hillary Clinton, Interview with Indira Lakshmanan, Bloomberg Radio, November 19, 2009)

President Lee Myung-bak, speaking at a joint news conference, stopped well short of saying the FTA, which was signed two years ago but has not been ratified by either country's legislature, could be renegotiated as US congressmen demand, but his words appeared to soften Seoul's previous position that the agreement could only go forward as written: "President Obama and I reconfirmed the economic and strategic importance of the Korea-US free trade agreement and decided to make an effort to move it forward," he said. "If the auto issue becomes a problem, we are prepared to talk again." In spite of Lee's remarks, Moon Tae-young, a MOFAT spokesman said there had been no change of policy: "Our government stance is still that there can be no renegotiation and perhaps [Mr Lee] meant that we are willing to listen to what the US says." (Christian Oliver, Edward Luce, and Sonbg Jung-a, "Seoul Rready to Talk to U.S. on Cars," *Financial Times*, Noevmebr 19, 2009)

To the annoyance of the White House, the US media have focused on the conciliatory tone that Obama adopted in his nine days in Asia - including the now notorious deep bow he gave Emperor Akihito of Japan last weekend. Obama's overtures to China were seen as a new "diplomacy of deference" in the words of a relatively polite outlet, while a less polite one described the shift from George W. Bush's brash unilateralism to Obama's polite engagement as a move from "cowboy to kowtow." Ten years from now, however, it is the substance and not the tone of the trip that will interest historians. Obama in effect invited Beijing to form a two-nation committee in which the countries would aim for common ground in tackling the world's largest problems. No other country has received such an offer - and none is likely to. In Beijing this week, Obama

formally conceded that in today's world the US can get only so far without China's help. "We know that more is to be gained when great powers co-operate than when they collide," he said. "The United States welcomes China's efforts in playing a greater role on the world stage - a role in which a growing economy is joined by growing responsibilities." US officials put it more bluntly: "There are really only two countries in the world that can solve certain issues," says Jon Huntsman, the US ambassador to China and former Republican governor of Utah. "So the meetings really have been aimed at co-ordinating like never before on the key global issues." Obama's controversial overture to China marks two sharp changes in America's stance towards the world. The first, which he repeatedly acknowledged during his election campaign, is the general acceptance that the U.S. now finds itself in a multipolar era. "I believe that our world is now fundamentally interconnected," Obama told a hand-picked audience of 400 Chinese students in Shanghai on November 16. "The jobs we do, the prosperity we build, the environment we protect, the security that we seek - all of these things are shared. And given that interconnection, power in the 21st century is no longer a zero-sum game." That interconnection was evident in Obama's decision to warn, while still on Chinese soil, that America could face a "double-dip recession" unless it reined in its fiscal deficits. Given that China is by far the largest holder of U.S. Treasury bonds and that Chinese officials have issued repeated warnings about the dangers of mounting US public debt, Obama's choice of venue for the interview with Fox TV was significant. The second change in stance involves a shift in America's specific approach to China -- arguably the first time Washington has acknowledged an equal, or near equal, global partner since the dying days of the cold war. Perhaps counter-intuitively for a candidate who inspired so much youthful idealism on the campaign trail, Obama's extended hand of friendship to China also ushers in a new era of "realist" diplomacy in Washington. This new US approach to China coincides with an intense debate in Beijing about its own role in the world. Chinese politicians and academics have been vigorously discussing whether the US is really in decline and whether their government should be taking a more active role in shaping international affairs. Discussion of diplomacy in China starts with a slogan - Deng Xiaoping's 1989 edict that China should "hide the brightness and nourish obscurity" (*taoguang yanghui*), in other words keep a low profile abroad for fear of frightening its neighbours. But Deng left some wiggle-room with the second part of the slogan, *yousuo zuowei*, which means "also accomplish some things." "China will adopt selective diplomacy, especially on issues important to our national interests," says Shi Yinhong, an international relations expert at Renmin University in Beijing. "That will mean some cooperation but also more independent actions." China's leaders are much more cautious about the sort of broader international security issues that Obama was trying to raise this week, from non-proliferation to counterterrorism. "For now, Beijing is highly reluctant to take on more burdens -- whether economic, political or military -- preferring to free-ride," Stephanie Kleine-Ahlbrandt at the International Crisis Group observes in an article in *Foreign Policy*. If Obama did make any progress on these issues during his Beijing visit, it will have been in more subtle, behind-the-scenes ways - for instance, persuading Beijing to use its close relationship with Islamabad to put more pressure on the Pakistani military to confront the Taliban. China's leaders do not favour the sort of free-flowing, open discussions that such a close partnership with the US would require. For most of their interaction on November 17, each president was accompanied by a large entourage of aides. Almost all the exchanges were scripted



and though U.S. officials did not describe it as such, the clear implication was that the leaders failed to establish interpersonal chemistry - a connection Mr Obama values highly. Some Chinese politicians also retain a deep-seated suspicion of what the real motives of the U.S. are in Asia, with many fearing that Washington still wants to contain China's rise through its relationships with Japan, South Korea and India. China's own foreign policy strategy is partly aimed at restraining U.S. behavior, reducing the space that America has for the sort of unilateral approaches that the Bush administration favoured. David Shambaugh, a China expert at George Washington University, says there is a long history of American paternalism towards China, going back to the 19th century and involving US efforts to teach China how to modernise. "Now the US seems to want to teach the Chinese how to be a global power," he adds. "But there is a lot of ambivalence in China about learning from the US." Ambivalence and suspicion are nowhere more apparent than on the issue of human rights. Bill Clinton promised "not to coddle dictators, from Baghdad to Beijing" and Bush, branded China a "strategic competitor" to the US. Both then went on to justify their aggressive deepening of economic ties with China as likely to produce a relaxation within that country. Obama, in contrast, neither refers to China as a dictatorship nor promises that his new approach will lead to democracy. Only some of this is openly acknowledged by White House officials. In an interview, Ben Rhodes, a senior national security adviser to Obama, rejects the label "realist" and insists that Mr Obama argued as forcefully as any of his predecessors for human rights and respect for Tibet's religious freedom in his meetings with Hu and Premier Wen Jiaba. "The idea that we are compromising our values by seeking global cooperation with China is not correct," says Rhodes. "It is true that very little can be accomplished unless the U.S. and China get into the habit of cooperating with each other in the months and years ahead. But we are not seeking partnership at the expense of our relationships with our traditional allies." (Geoff Dyer and Edward Luce, *A Wary Willingness*, *Financial Times*, November 20, 2009, p. 9)

President Obama opened a potentially bruising battle within the Democratic Party when he pledged to complete a long-stalled trade agreement with South Korea that he inherited from President Bush. At a news conference in Seoul, South Korea, Obama and the president of South Korea, Lee Myung-bak, both declared their desire to renegotiate elements of the agreement and to have both countries ratify it as soon as possible. "I am a strong believer that both countries can benefit from expanding our trade ties," Obama said. "I have told President Lee and his team that I am committed to seeing the two countries work together to move this agreement forward." But within hours, Democrats from big manufacturing states were already accusing the president of emulating his Republican predecessor and undermining American workers. "I can't for the life of me understand why we would want to extend the Bush economic and trade policies," said Senator Sherrod Brown (D-OH). "It's unacceptable to say we'll put in some side agreements. It's still Bush trade policy, which is as bankrupt as Bush fiscal policy." As if anticipating criticisms that a trade deal would usher in another flood of imports at the expense of American jobs, Obama tried to distinguish between trade with South Korea and trade with other Asian powerhouses. "There's a tendency to lump all of Asia together when Congress looks at trade agreements and says, 'It appears this is a one-way street,'" Obama said in Seoul. South Korea, he said, does not have nearly as big a trade surplus with the United States as other Asian countries do. The main opposition to

the South Korea deal comes from automobile companies and other industrial manufacturers, like Whirlpool, which complain that the agreement does little to remove South Korea's regulatory and tax barriers on imported products. The United States exports about 7,000 cars a year to South Korea, barely 1 percent of the number of Kia and Hyundai cars that South Korea exports to the United States. Democrats from Michigan, Illinois and other big car-producing states have long complained that the South Korea trade deal would simply aggravate the American automobile industry's crisis. "The U.S.-Korea trade agreement is the last thing our nation can afford," Representative Phil Hare (D-IL) said in a statement on his Web site. "I am troubled that we even discussing another job-killing trade agreement." One senior administration official said White House officials had several reasons for trying to reach a new deal if they could persuade South Korea to open up its market to American goods. For one thing, he said, South Korea has already negotiated a separate trade agreement with the European Union. If that deal were ratified, American exporters would be at a competitive disadvantage to European rivals. Beyond that, President Lee of South Korea made it clear he was willing to revisit elements of the deal negotiated with the Bush administration. Until now, South Korean officials have insisted that a deal is a deal. Unlike China and other Asian countries, South Korea has a relatively small trade surplus with the United States -- about \$13 billion last year out of \$80 billion in total trade between the two. Representative Sander Levin (D-MI), chairman of the trade subcommittee of the House Ways and Means Committee, had a nuanced reaction to Obama's initiative with South Korea. Levin has warned the trade deal had no chance of passage unless South Korea agreed to make reductions in import restrictions. But he welcomed Lee's apparent willingness to re-open those discussions. "My hope is that, because of President Obama's visit, they are serious about opening up," Levin said. As recently as last week, Levin said, he met personally with South Korea's trade minister and was told there was "nothing to discuss" about the agreement. (Edmund L. Andrews, "South Korea Trade Pact Is Revived by Obama," *New York Times*, November 20, 2009, p. B-3)

The U.N. General Assembly Third Committee expressed its grave concern about on-going human rights violations in North Korea this evening in a non-binding resolution expressing "very serious concern" at continuing reports of "systematic, widespread and grave violations of civil, political, economic, social and cultural rights," including torture, public executions, collective punishment, and the imposition of the death penalty for political and religious reasons. It was adopted with 97 countries in favor, 19 against and 65 abstentions. Many of the abstentions and 'no' votes were cast by member states that said they are opposed to resolutions that single out specific countries for censure. Others said they believe the right place for discussing human rights is in Geneva at the Human Rights Council. But a Swedish diplomat, speaking on behalf of the European Union, which co-sponsored the resolution, said the measure is necessary because similar resolutions asking North Korea to end human rights abuses have gone unheeded for the last four years. "We strongly urge the government to immediately put an end to the human rights violations in the country," he said. "The General Assembly cannot ignore the suffering of the people of the DPRK. We must assume our responsibility and give voice to them. If we do not react, the political signal that we give would be that our concerns have decreased or that the situation

has improved - which is not the case." Deputy U.N. Ambassador Pak Tok Hun categorically rejected the resolution, saying it was a U.S. initiative intended to destroy North Korea: "The draft resolution is nothing more than a document of political conspiracy of hostile forces, to put the veil of a unanimous message of the international community on the U.S.-led human rights campaign against the DPRK in a bid to deny and obliterate the state and social system of the Democratic Peoples' Republic of Korea,." He said that it would be "futile" to expect any outcome from the resolution, because North Korea would remain "invincible forever." (Margaret Besheer, "U.N. General Assembly Condemns Humans Rights Violations in Burma, North Korea," *VOA News*, November 19, 2009)

11/20/09 DPRK FoMin spokesman: "The adoption of the said resolution is nothing but a trite political plot hatched by hostile forces against the DPRK every year. It should never be overlooked that the U.S., playing a main role, instigated the EU, Japan and its other followers to fake up again a brigandish document defiling the system in the DPRK and infringing upon its sovereignty on the basis of all sorts of lies and fabrications. The illegal and highhanded nature of the hostile action lies in that the "resolution" was railroaded through the meeting of the above-said committee despite the fact that a universal periodic review on the human rights situation in the DPRK is slated to be made at the UN Human Rights Council in coming December and majority member nations of the UN including the non-aligned countries are strongly opposed to the adoption of a country-specific resolution. One should keep one's hands clean before pointing accusing fingers to others. The U.S. is committing every day such human rights abuses as invading sovereign states under the pretext of "a war on terrorism" and brutally killing innocent civilians and other Western countries are plagued with all sorts of human rights abuses and social evils such as maltreatment of minorities and natives, racial discrimination, murder and prostitution. Are they entitled to dare take issue with other countries' human rights performance so shamelessly? Japan has not yet redeemed hideous human rights abuses it perpetrated in Korea last century such as the massacre of more than a million Koreans, the forcible drafting of at least 8.4 million Korean workers and the act of forcing 200,000 Korean women into sexual slavery for the Imperial Japanese Army. No matter how vociferous it wants to become it has no right whatsoever to say anything about human rights. The DPRK categorically and totally rejects as it did in the past any "resolution" fabricated by the U.S. and its followers to do harm to the ideology and system in the DPRK chosen by its people as part of their interference in its internal affairs under the pretext of 'championing human rights.' Human rights mean sovereign rights and the latter keeps every nation alive. One cannot think of enjoying genuine human rights and their protection without being provided with a guarantee for national sovereignty. This is the truth proven by the present reality of international relations. The UN Charter recognizes the right to self-determination, the right of choice and the principle of non-interference in other's internal affairs. No country in the world has the right to force its own socio-political system upon other country and it can never do so. (KCNA, "DPR Slams UN 'Human Rights Resolution,'" November 20, 2009)

11/20-22/09 China's Defense Minister, Liang Guanglie, has reaffirmed Beijing's military alliance with Pyongyang, and he has been quoted as saying he had "witnessed for himself" how

friendly relations between the two nations were "sealed in blood" while he served as a soldier during the Korean War. Xinhua did not carry the same comments but paraphrased General Liang as saying: "The traditional friendship between the two countries is rooted in the peoples' hearts and has withstood the passing of time and international turmoil, and has now become treasure shared by both. In the past year [it] has shown vigorous life and vitality under the warm care and powerful promotion by the two country's leaders." Shi Yinhong, a professor of international relations at the People's University, said General Liang's comments reflected Chinese anxiety about the intentions behind a visit to Pyongyang by the U.S. envoy Stephen Bosworth. "I hate to say this is competition with Washington, but ... there is requirement for more communication and a reduction in strategic suspicion of the United States," he said. Shi said China had moved on from a domestic debate that followed North Korea's second nuclear test in June, when some analysts urged Beijing to walk away from its defense treaty. "Now the situation is we want to win North Korea's favour and pursue North Korea by our diplomatic communication and by increasing assistance." (John Garnaut, "Minister Reaffirms China's Ties to N. Korea," *Sydney Morning Herald*, November 24, 2009)

11/26/09 South Korean soldiers and police rounded up and executed at least 4,934 citizens between June and September of 1950, as North Korean invaders pushed down the peninsula, the Truth and Reconciliation Commission said. The victims were members of the National Guidance League, or "Bodo" League, that the then-staunchly anti-communist government created to "re-educate" recanting leftists and others suspected of communist leanings. Historians say officials met membership quotas by pressuring peasants into signing up with promises of rice rations or other benefits, with more than 300,000 people on the league's rolls. "The government of then-President Syngman Rhee was in a state of panic at the start of the war and deeply worried that Bodo League members could sympathize with North Korea and become a threat to the government," the commission said in a statement. The commission said it believes the executions were perpetrated based on "decisions and orders" from the "highest level" of the government, since troops, police and other state agencies were mobilized in a swift and organized manner for the killings. (Associated Press, "S. Korea Confirms Some 5,000 Wartime Executions," November 26, 2009)

11/27/09 Kim Jong-il visited a naval base in Nampo immediately after his country lost a skirmish near Daecheong Island, and called for "modernization of warfare strategy and equipment" to "regain strength at sea." Kim is quoted as making the remarks by North Korean naval officer Kim Kwang-il of a naval unit identified only by the number 587 in a documentary by the North's official Korean Central Television celebrating the People's Army's anniversary on April 25, 2010. (*Chosun Ilbo*, "Kim Jong-il Called for Stronger Navy after Defeat in Skirmish," May 6, 2010) Following North Korea's crushing defeat by the South in last year's skirmish in the Yellow Sea, Kim Jong-il, directed its navy to intensify training "to raise heroes for do-or-die squads at sea," North Korea's media reported May 4, 2010. "Do the comrades know why I visit this unit frequently?" the navy officer quoted Kim Jong-il as saying after he observed a training session. "It's because I trust you the most." "The supreme commander visited our unit at dawn and boarded a naval vessel" Kim Kwang-il said. "He also instructed us to upgrade the warships'

weapons systems and combat technologies to meet the needs of modern-day warfare." (Lee Young-jong and Ser Myo-ja, "Fleet Officer Says Kim Intensified Navy Training after Nov. 10 Defeat," *JoongAng Ilbo*, May 6, 2010) [Next, officer (Kim Kwang-il) details Kim Jong Il's visit to his naval unit again in November 2009 [KPA Navy Combined Unit 587 Command] and notes that Kim Jong Il personally came on board a docked vessel, looked after the soldiers' everyday living with a fatherly love, and "gave a precious teaching on all the more modernizing the vessel's weapons, combat, and technical equipment in accordance with the demand of modern warfare." He continues to note that Kim Jong Il came on board another vessel and watched combat training of sailors "overflowing with the spirit of one-a-match-for-100" and mentioned that Kim Jong Il said, "Comrades, do you know why I come to this unit often? It is because as supreme commander, I have such strong confidence in this unit. I urge you to reinforce your training in the future and firmly prepare all the sailors into vigorous one-a-match-for-100 all-round sailors and as the do-or-die unit of sea heroes." He continues to note that just like the sailors during the fatherland liberation war period in which they sunk the US imperialists' vessel "with just four torpedo boats," a fleet of "six vessels of the enemy which were running amok indiscriminately" was crushed with "just one vessel" to preserve the Northern Limit Line late last year, "mercilessly punishing" them, thus manifesting the merits of the heroic KPA sailors. Pyongyang Korean Central Television, "TV Commemorative Stage" program on "The Founding History of the Invincible Armed Forces Will Be Eternal for Holding High the Great Military-First Brilliant Commander," on the occasion of the 78th founding anniversary of Korean People's Army, April 25, 2010, rebroadcast May 4, 2010.]

11/30/09 "North Korea will likely try to drag out the bilateral meeting with the U.S., while the U.S. is trying to finish the contact as a one-off event," a senior diplomatic official told reporters. When asked on whether the two countries could later raise the level of bilateral talks to the Cabinet-level, the official said that such prospects were "still premature." "If Bosworth goes to North Korea and produces some results on achieving irreversible denuclearization, Secretary Hillary Clinton could possibly go to Pyongyang, but looking at the North's position so far, that seems unlikely." (Tony Chang, "U.S. Wants to Close Dialog with N. Korea in Single Phase: Official," *Yonhap*, November 30, 2009)

North Korea revalued its currency for the first time in 50 years and placed strict limits on exchanging old bills for new ones, moves that appear designed to flush out money that people earned in market activities the country's authoritarian government doesn't like. The action triggered chaos, according to news outlets in South Korea that specialize in obtaining information from the North, as people rushed to banks and offices of the ruling Workers Party to get information, make exchanges or trade existing North Korean won for euros and U.S. dollars. Officially, the won trades at 135 per U.S. dollar. But defectors say it is routinely traded in North Korean border cities, where foreign currency is most necessary, for about 2,000 to 3,000 per U.S. dollar. A typical person in the impoverished country may earn only about 5,000 won a day, aid workers and defectors say. (Evan Ramstad, "North Korea Revalues Currency, Triggering Chaos," *Wall Street Journal*, December 1, 2009) In a step unannounced by state media, North Korean authorities briefed foreign embassies in Pyongyang that Won1,000 notes could be exchanged for 10 new won between Nov 30 and Dec 6. They gave no reason for the

switch but South Korean experts say such steps could filter out racketeers who had accumulated unusually large sums. North Korea's economy has become distorted. The official exchange rate is at about Won190 to the euro and Won140 to the dollar, while in the black market those hard currencies trade at closer to Won5,000 and Won3,000 respectively. Illustrating the complexities, the quoted price for a packet of cigarettes can range from Won30 to Won1500. To flush out people breaking the rules, North Korea will allow its citizens to exchange only Won100000. For any larger sum, they must deposit their cash in a bank account and get a receipt from officials, who will investigate where it came from. "Many North Koreans will think they are not likely to see that money again," quipped one diplomat. North Korea says it will become a "mighty and prosperous nation" by 2012. While this is largely thought to refer to its ambitions with atomic weapons, it is also possible that the dictator Kim Jong-il may want to mend his dysfunctional economy. (Christian Oliver, "N. Korea Overhauls Currency to Combat Inflation," *Financial Times*, December 2, 2009, p. 3) Many suspect it has two targets -- rising inflation and mushrooming private markets that increasingly make up for the government's own shortcomings getting goods, food in particular, to its 23 million people. "These are some short-term effects (from the revaluation) ... but for them to last, the official economy has to have a steady inflow of goods," said Soongsil University's Lee Jung-chul. "(If not), the value of the won will plummet further. What little trust the people have in the government will evaporate and reliance on the dollar and the yuan will only grow stronger. With this, the inflation that started the problem will only increase." *Chosun Ilbo* said the ruling, the first time in 50 years Pyongyang has revalued its currency, allows people to keep the equivalent of about \$40 in cash -- enough to keep a family of four going for two months -- and deposit the rest in the bank. They may not withdraw the money on demand. "Anyone who's holding a lot of money there will become poor overnight," said a Chinese border resident who travels to North Korea several times a year, adding that most North Koreans who do large volumes of trade with China are well-connected. Shan Jie, a Chinese businessman who runs a trade consultancy company in the Chinese border city of Dandong, said the change had had little impact on trading because most deals are settled in U.S. dollars or euros, not the North Korean won. "My analysis is that North Korea has taken this step to prepare the way to further open up the economy. Once the currency redenomination is completed, if North Korea can stabilize the currency, then it could become more acceptable as a currency for settling trade. For now, nobody wants to touch it. But if they can make this work, then at least at the Chinese border, it could become more widely used to settle trade, and that could help open up more business." Paik Hak-soon of South Korea's Sejong Institute and a North Korea specialist, saw echoes in a similar move some years ago by Vietnam when it implemented economic reforms. "We can put this as a way by the North Korean government to engage in strategic financing for national projects through controlling the flow of national wealth. I believe they are doing it as part of economic reform," Paik said. Another North Korea analyst in Seoul and former MP Jang Sung-min, speculated that leader Kim Jong-il's brother-in-law may have been the mastermind. Jang Song-thaek, was once seen as a proponent of market reforms but eventually shunted aside, is widely thought to have returned to the center of power this year. "It is part of a move to gain more control over non-government controlled trades with China as a way to step up economic reforms, especially ahead of (U.S. envoy Stephen) Bosworth's visit." (Lucy Hornby and Jonathan Thatcher, "North Korea Takes on

Traders and, Just Maybe, reform," Reuters, December 3, 2009) New reports emerged of protests and violence in North Korea as the country's authoritarian regime over the past week seized most of its citizens' money and savings via a new-currency issue. One South Korea-based news report said police in a suburb of the capital city of Pyongyang on Friday shot and killed two market traders who tried to skirt the limits on the amount of old North Korean currency that could be exchanged for new currency. Another said women who work in goods and produce markets were protesting the action in defiance of authorities. (Evan Ramsted, "North Koreans Protest Currency Issue," *Wall Street Journal*, December 9, 2009)

12/1/09

A high-ranking South Korean government official met with reporters about the bilateral talks taking place shortly between North Korea and the U.S. The official said that the U.S. has already given North Korea what it wants, namely, a guarantee of its regime stability and a non-aggression pledge, and asked reporters to read the 2000 North Korea-U.S. joint communique. When asked by a reporter whether the joint communique was rendered dead during the Bush administration, the official responded by noting that the communique exists as a document and at the time it was written, the Democratic Party was the ruling party in the U.S. This was a reminder that since the Clinton administration, which signed and adopted the communique with North Korea in October 2000, and the Obama administration are both Democratic Party administrations, there is a possibility that the joint communique could be revived. The official's comments are worth noting since they hint that when Stephen Bosworth, U.S. special representative for North Korea Policy, visits North Korea on December 8, he may use the 2000 DPRK-U.S. Joint Communique as a basis for dialogue with North Korea. The official predicts that because the Joint Communique is already in existence, North Korea in contrast will choose not to bring it up with Bosworth and instead will request that the Obama administration put forth its own proposal. In addressing anticipated results from Bosworth's upcoming trip, the high-ranking official said that if Bosworth obtains an irreversible and verifiable denuclearization agreement from North Korea, U.S. Secretary of State Hillary Clinton could be dispatched to North Korea. The official said, however, that there appears to be little possibility of that because North Korea will not agree to shift from its current position. (*Hankyore*, "October 2000 DPRK-U.S. Joint Communique Impact on Bilateral Talks," December 1, 2009)

A North Korean soldier who was rescued by the South Korean Navy earlier this week after his boat drifted south of the border will be repatriated Wednesday through a truce village straddling the Koreas, the U.N. command here said. The army sergeant underwent questioning by U.S. and South Korean authorities after he was rescued in the Yellow Sea on Sunday, officials here said, declining to provide his name. The officials said he was fishing before his boat drifted south. (Sam Kim, "N. Korean Soldier to Return after Accidentally Crossing Sea Border," *Yonhap*, December 1, 2009)

A retired senior diplomat admitted for the first time in court that Tokyo and Washington concluded a secret accord on the cost burden for the 1972 reversion of Okinawa to Japanese control. "The words in the official Okinawa reversion accord and the facts are different," Yoshino said. One of the plaintiffs is a former *Mainichi Shimbun* reporter

convicted over his reports on the diplomatic negotiations. The three documents, which were declassified by the U.S. early this decade, include one indicating Japan secretly shouldered \$4 million in costs that Washington was supposed to pay to restore farmland in Okinawa that had been used by U.S. forces. Describing the background for Japan having had to shoulder the costs, Yoshino testified, "We heard of voices in the U.S. Congress arguing that Okinawa should not be returned if money is offered to Japan, which is making money through trade with the United States." "I had no other choice but to say there was no such agreement in those days," Yoshino said. "But I've gradually come to think I can't keep a secret over the pact since the disclosure in the United States." (Kyodo, "Diplomat Tells Court of Secret U.S. Pact," *Japan Times*, December 1, 2009)

12/2/09

FMYu Myung-hwan told the Northeast Asia Future Forum, hosted by the *JoongAng Ilbo*, "North Korea's talk of a peace pact is viewed as being intended to buy time, distract attention, and continue nuclear weapons development in order to be recognized as a nuclear state like Pakistan and India." South Korea's top diplomat made clear that Seoul is opposed to any discussion on a peace treaty that involves only North Korea and the U.S., "North Korea's position is that it has already resolved the issue with South Korea through the 1992 Basic Agreement and that a peace treaty should be signed with the U.S.," Yu said. "But a peace treaty should be discussed between South and North Korea as well as the U.S. and China." (Lee Chi-dong, "S. Korea Questions N. Korea's Demand for a Peace Treaty," *Yonhap*, December 2, 2009)

*Chosun Sinbo*: "The matter of relations between belligerent states has to be approached completely from a perspective of guaranteeing security in order to be resolved. Before the launch of the Obama administration in January this year, designated Secretary of State Clinton stated the opinion that normalization of relations could happen if the DPRK abandoned nuclear weapons. At that time, the DPRK side responded, 'Even if DPRK-US relations are diplomatically normalized, our status of possessing nuclear [weapons] will not change at all insofar as even a slight nuclear threat by the United States remains' (Foreign Ministry spokesman, 17 January). It has been long since the armistice agreement that was signed in the 1950s last century lost its mission and function. The armed clash between North and South that happened in the West Sea of Korea in November re-confirmed the Korean peninsula's state of keen military tension. As long as there is concern over incidental clashes and the recurrence of war, the DPRK side cannot unilaterally abandon its self-defensive war deterrent. Beginning from 8 December, [US State Department] Special Representative Bosworth will visit Pyongyang in the capacity of President Obama's special envoy. If the United States really means to resolve the nuclear issue while facing the reality of the Korean peninsula, the only way [to achieve this] is to reach the conclusion that the establishment of a system for guaranteeing peace is the most urgent matter. ...Attention will be paid to the decision that President Obama, who decided to send his special envoy to a belligerent nation, will make in regard to the prevention of war and the guarantee of peace." (Kim Chi-yong, "The First Step to Denuclearization Is 'Establishment of Peace Guarantee System,'" *Chosun Sinbo*, December 2, 2009)



The government plans to develop border areas with North Korea into a center for inter-Korean cooperation, international peace and ecological protection. The Ministry of Public Administration and Security yesterday announced the plan during the meeting of the Presidential Committee on Regional Development attended by President Lee Myung-bak. The ministry will designate the Demilitarized Zone as an ecological preservation zone to protect rare wildlife and the natural environment. More than 3,000 rare species of animals and plants are found in the 907-square-kilometer heavily fortified border. The government plans to build a peace park, host the United Nations' peace conference and establish an international peace-themed university near the DMZ. (Hwang Jang-jin, "DMZ to Be Designated Ecology Park," *Korea Herald*, December 3, 2009)

After scrutinizing the personal assets of Hatoyama Yukio and his mother, prosecutors will drop their investigation into the prime minister over a scandal involving fake donations, sources said. The Tokyo District Public Prosecutors Office has failed to uncover any evidence that shows Hatoyama was directly involved in the falsified political fund reports of his fund management organization, Yuai Seikei Konwa-kai (fraternity association of politics and economics), from 2004 through 2008, the sources said. Investigators suspect Hatoyama's former state-funded aide, who was in charge of compiling the political fund reports, acted alone in faking entries. Prosecutors have found that 1.15 billion yen was withdrawn between 2004 and 2008 from the funds of Hatoyama and his mother kept by Rokko Shokai, which manages the Hatoyama family's assets. Prosecutors suspect the 350 million yen used for the fake entries was part of this money. The former aide who compiled the political fund reports has apparently admitted to falsifying the entries. He is expected to be indicted. But the other former aide has told prosecutors that he knew nothing about the fake entries in the reports, the sources said. Still, prosecutors are considering indicting this former policy aide at a summary court under a Political Fund Control Law stipulation that states that people in charge of accounting can be punished for "serious faults" even if they were not clearly involved in falsified fund reports. (*Asahi Shimbun*, "Prosecutors to Drop Case against Hatoyama," December 2, 2009)

Two months after taking power, Japan's new leadership is still raising alarms in the United States with its continued scrutiny of the countries' alliance. But this reconsideration is not a pulling away from the United States so much as part of a broader, mostly domestic effort to outgrow Japan's failed postwar order, say political experts here. More important, the analysts say, these stirrings may also be the first signs of something that both Tokyo and Washington should have had years ago: a more open dialogue on a security relationship that has failed to keep up with the changing realities in Japan and, more broadly, in Asia. "Hatoyama is often misunderstood," said Murata Koji, a professor of international relations at Kyoto's Doshisha University. "Hatoyama is not anti-American. He's anti-L.D.P." Since taking office in September, Mr. Hatoyama has pursued his campaign promise to sweep away the old insider-driven politics of the Liberal Democrats that many Japanese now blame for their country's stagnation and replace them with a more transparent and responsive government. As a pillar of that postwar order, the alliance with Washington has become a favorite target of the new government. In particular, the Democrats are keen to end the popular perception here

that the American relationship was conducted behind closed doors by the nation's powerful bureaucracy, without the full consent of Japanese public opinion. This is the intent of the inquiry into the secret agreements from the 1960s and 1970s allowing United States ships and aircraft to carry nuclear weapons into Japan, sidestepping Japan's self-imposed ban on such weapons, experts say. Exposing the agreements would have little effect on the current alliance. The deals were discarded after Washington removed nuclear weapons from most of its ships and planes in 1991, and their existence had been exposed years ago by American and retired Japanese officials. Rather, experts here say, FM Okada Katsuya has pressed the inquiry in order not only to increase transparency but to embarrass the entrenched bureaucrats at the Foreign Ministry, which still officially denies the pacts' existence. A similar desire for transparency was also apparent last week, when a special committee on cutting government waste took up the \$1.4 billion that Tokyo spends annually on the salaries for Japanese workers on American bases. After a one-hour debate that focused on clarifying pay scales without once raising a doubt about the need for the bases, the committee voted to leave the appropriation unchanged. But more fundamentally, the recent strains have revealed how little the two allies are used to the give and take commonly found in America's relations with other allies, like Britain or Australia. "These are two partners who are not used to talking to each other," said Tobias Harris, a former aide to Democratic Party senator. He and other analysts said the two countries must figure out how they want to cooperate in a new era when the United States is no longer the unchallenged superpower, Japan is no longer willing or able to serve as Washington's pocketbook and the regional balance of power is being upended by China. (Martin Fackler, "A Long-Distance Relationship Gets a Closer Look," *New York Times*, December 2, 2009)

12/3/09 Acting on behalf of 150 North Korean refugees, the Antihuman Crime Investigation Committee wants the International Criminal Court at The Hague to determine whether "the extreme, systematic and widespread violations perpetrated against us constitute crimes against humanity." Committee members plan to fly to The Hague next week to file a petition demanding that an arrest warrant be issued for Kim, activists said. At a press conference announcing the action, Lee Kyung-hee recounted the nightmare when her newborn was killed before her eyes in a North Korean prison. In 2005, Lee, eight months pregnant, escaped to China. She was caught by authorities and returned to North Korea. Weeks later, a soldier stood beside her prison bed and, moments after she gave birth, suffocated her tiny boy. Jung Gyoung-il, 46, secretary-general of Democracy Network Against North Korean Gulags, said he spent three years, beginning in 2000, in the Yoduk prison after authorities beat him so badly that he falsely confessed to being a spy. "Yoduk is a place where veterinarians can be a doctor. I once asked why veterinarians treated us, and the soldiers said, 'You are animals, so medical treatment can't be offered by doctors. That's what veterinarians do.'" (John M. Glionna and Ju-min Park, "North Korean Rights Groups Want Kim Put on Trial," *Los Angeles Times*, December 4, 2009)

12/7/09 U.S. President Barack Obama's North Korea envoy, Stephen Bosworth, is open to discussions on signing a peace treaty with North Korea during his forthcoming trip to Pyongyang in exchange for the communist regime's promise to rejoin the dormant six-

way nuclear talks, a senior South Korean official [Wi] said. "The issue (of a peace treaty) can be discussed if North Korea promises to come back to the six-party talks," he said on the customary condition of anonymity. He added that Bosworth may also discuss the possibility of setting up a liaison office in the North Korean capital in talks with Vice Foreign Minister Kang Sok-ju during his three-day trip there. The South Korean foreign ministry spokesman said South Korea, the U.S., and Japan have been working on a road map for the denuclearization of the peninsula. Japan's Asahi newspaper earlier said the three countries have begun work on the road map. (Lee Chi-dong, "Bosworth to Open Talks on Peace Treaty during Pyongyang Trip: Official," Yonhap, December 7, 2009)

12/8/09

The visit of Ambassador Stephen Bosworth to Pyongyang signaled a new phase in U.S. diplomacy toward North Korea. For months, the United States had focused on punishing North Korea, leading an international campaign to enforce sanctions imposed on it for testing a long-range rocket in April and detonating a nuclear device in May. Bosworth flew from a United States air base south of Seoul. Later, a one-line dispatch from the North's official Korean Central News Agency confirmed his arrival. His two-day stay in South Korea this week had been shrouded in secrecy as both Seoul and Washington struggled to resolve what analysts perceived as a division over how to deal with North Korea. Members of the conservative government of President Lee Myung-bak have questioned the wisdom of sending a high-level American envoy to North Korea without waiting for international sanctions to weaken the North's bargaining power. "South Korea fears that Bosworth's trip can create a split in the international efforts to put pressure on the North through sanctions," said Chang Yong-seok, an analyst at the Institute for Peace Affairs, in Seoul. "The rift may grow, depending on the outcome of his trip." Mindful of this concern, Washington emphasized that Bosworth was traveling with a narrow agenda: determining whether the North planned to return to six-nation nuclear talks and to recommit itself to a 2005 pledge to give up its nuclear assets in return for aid and security guarantees. "We don't intend to reward North Korea simply for going back to doing something that it had previously committed to do," a senior American official [Deputy SecState James Steinberg] said in Washington during a background briefing on the eve of Bosworth's trip. But Bosworth's visit was bound to include discussions on what rewards the North could expect if it returned to the talks and proceeded with denuclearization. North Korea wants a peace treaty with Washington and an end to what it calls a "hostile" United States policy before it considers giving up its nuclear weapons capacity. As a first step, the North is likely to demand talks on normalizing ties with Washington, analysts in Seoul said. "Fundamentally, it doesn't really matter whether Bosworth goes to Pyongyang or whether North Korea returns to six-party talks," said a senior South Korean official, who spoke on the condition of anonymity, citing the political delicacy of the issue. Playing down the significance of Mr. Bosworth's trip, the official added: "What matters is whether the North Koreans are willing to give up their nuclear weapons. We think they won't, unless they feel enough pain." (Choe Sang-hun, "U.S. Envoy Makes Rare Visit to Pyongyang," *New York Times*, December 9, 2009, p. A-8) On November 19, U.S. Secretary of State Hillary Rodham Clinton said that if North Korea pursued verifiable denuclearization, then the normalization of U.S.-North Korea relations, the signing of a peace agreement to take the place of the cease-fire agreement and economic aid could all be examined as options. In essence, it is a matter of "sequence and combination." In

connection with this, the U.S. and South Korean governments are known to be concerned that too much emphasis on discussions toward a peace agreement in the early stages of negotiations could blur the focus on North Korea's denuclearization and generate a backlash in public opinion. Experts are predicting that the success of these talks will ultimately hinge on how North Korea's denuclearization measures are combined in sequence with normalization of diplomatic relations and a peace agreement. (*Hankyore*, "Bosworth and N. Korea to Find Common Ground in Denuclearization and a Peace Agreement," December 8, 2009)

The government will this week seek National Assembly approval for its plans to send 350 soldiers to Afghanistan, along with some 75 civilian workers and 40 police officers to help rebuild the war-torn country, the Defense Ministry said yesterday. "The plans have been approved by the Cabinet today, and we plan to submit it to the National Assembly within this week," said Chang Gwang-il, the ministry's head of the defense policy department. The actual number of soldiers who would be dispatched is 320, but Jang said the ministry was requesting a bigger figure to secure flexibility. In total, there will be some 100 civilian aid workers in the new Provincial Reconstruction Team in the province of Parwan, including the 25 already working at Bagram Air Base operated by the United States. Including the law enforcement officers, some 500 South Koreans are to be working for Afghanistan's reconstruction starting on July 1, officials said. The people would be housed in an independent military base Korea plans to build near the city of Charikar in Parwan. To ensure the safety of the soldiers and civilians, the Defense Ministry said it will be requesting a two and a half year dispatch period from parliament. This would signal a break from the customary year-long dispatch that required National Assembly approval every 12 months. (Kim Ji-hyun, "Seoul to Send 350 Troops to Afghanistan," *Korea Herald*, December 9, 2009)

North Korea is expected to suffer a serious grain shortage this year, well short of what it needs, a U.N. official who recently returned from the impoverished state said. "We do estimate that the DPRK may have to import a bit over 1 million tonnes to cover the needs," said Daniele Donati, U.N. Food and Agriculture Organisation's emergency operations chief, who went there on an inspection tour state last week. The FAO estimates that destitute North Korea needs about 5.1 million tonnes of grain a year for food, animal feed and seed. The shortfall is about the same as last year's. (Jon Herskovitz, "U.N. Agency Sees Severe Food Shortage in North Korea," Reuters, December 9, 2009)

K.A. Namkung told the *JoongAng Ilbo* last week that he was pessimistic because "there will be no breakthroughs, no agreements of political significance." "Perhaps there will be an agreement about the next meeting, where to hold it and when, and so on," he said. "But there will be no agreements of a political nature." On the other hand, Namkung predicted that North Korea will "put some ideas on the table at a general level without becoming too specific." "This will force the U.S. to think about what to do next," he said. "On the one hand, the U.S. wants North Korea to return to the six-party talks and reaffirm the Sept. 19, 2005, joint statement [highlighting the denuclearization commitment]. And North Korea will agree to do that in principle, depending on certain conditions." Namkung said the two sides will have some "back and forth" on how to

satisfy the U.S. demand for the North's return to the six-party talks without compromising the North Korean demand for bilateral talks. And the process will not go as smoothly as the United States may want. "There will be no uncorking of the champagne," he continued. "But both sides will show enough flexibility to want to continue at least another round or more." As for the conditions North Korea will seek, Namkung said the North "will want to conclude a nuclear agreement with the U.S. within the broad framework of the six-party talks." "By broad framework, I mean that the six-party [setting] is not a negotiating form. It's just an umbrella kind of organization," he said. "[For North Korea], any deal on the nuclear issue, the core of it has to be done along bilateral lines [with the United States]." Namkung said he believed the United States is "willing to test the possibility of a comprehensive deal through dialogue" with North Korea. He added that even though this week's talks or a future meeting may yield only limited results, "the longer term future for the U.S.-North Korea negotiations is quite good, because both sides want to tackle the big picture" "Both sides want a big bang - [dealing with] everything at once," Namkung said. "I think we'll reach that point under the first Obama administration in the next two to three years. If North Korea next week or maybe in the second meeting shows it is serious about doing a comprehensive deal, then North Korea will jump up on the [U.S.] list of priorities," he said. "I think the talks will produce enough progress to continue." (Yeh Young-june and Yoo Jee-ho, "U.S. Scholar Unsure of North Talks," *JoongAng Ilbo*, December 8, 2009)

12/?/09

North Korea delivered three requests to the South through a senior official of the South Korean ruling Grand National Party in December last year year to hold a third inter-Korean summit and provide fertilizer aid, sources said August 1. Seoul, however, failed to give a clear answer to the requests for several months. Pyongyang then launched armed provocations, including the attack on the naval warship Cheonan March 26. The sources said the North contacted a senior member of the Grand National Party late last year to propose an inter-Korean summit. This came after a secret meeting on the summit between the South Korean Unification Ministry and the united front department of the ruling North Korean Workers' Party collapsed in November last year. Pyongyang reportedly told the Grand National Party figure, "Let's continue the talks we had with (then South Korean) Labor Minister Yim Tae-hee (later presidential chief of staff) and exclude the Unification Ministry led by Minister Hyun In-taek." The united front department's director Kim Yang Gun and deputy directors Won Tong Yon and Ri Jong Hyok reportedly led the negotiations with the GNP member. The North's requests were for the South to fulfill promises -- an inter-Korean summit and economic assistance in return for the summit -- made by Yim in his capacity as special presidential envoy in October last year; the establishment of an unofficial channel different from official lines used by South Korea's Unification Ministry and the National Intelligence Service; and 300,000 tons of fertilizer as a sign of the South's commitment to continuous inter-Korean dialogue. The GNP figure conveyed the requests to the presidential office in Seoul, and officials in charge of diplomacy and national security reportedly held intense debates over the requests. Because of the intra-government dispute, Seoul failed to give an answer to the ruling party member. He reportedly promised the North an answer by late March or early April this year. (*Dong-A Ilbo*, "N.K. Asked for Summit before Attacking Cheonan," August 2, 2010)

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**EO** 12958 DECL: 12/11/2034  
**TAGS** PREL, PARM, MNUC, PGOV, KN, IR, CH  
**SUBJECT: UNDER SECRETARY BURNS MEETING WITH CCID DIRECTOR**  
WANG JIARUI ON IRAN, NORTH KOREA  
Classified By: Political Minster Counselor Aubrey Carlson. Reasons 1.4 (b/d).

### Summary

1. In a meeting with senior Chinese official Wang Jiarui, the US is told that talks, not threats, are the only way forward when dealing with North Korea. In fact, Wang suggests, the US perhaps does not realise that the North, for all its strong language, badly wants a rapprochement with Washington to end its international isolation and help remedy its domestic problems. Key passage highlighted in yellow.

### Summary

1. (C) **Under Secretary Burns** met with Director of the Chinese Communist Party's **Central Committee International Liaison Department (CCID) Wang Jiarui December 9** to discuss U.S.-China cooperation on North Korea and Iran. Wang said that the "ideal outcome" of Special Representative for North Korea Policy Stephen Bosworth's current visit to Pyongyang would be a meeting with DPRK leader Kim Jong-il. **The very fact of the visit, Wang emphasized, was important because it sent a signal to the DPRK that the United States was serious about negotiating a settlement of the Korean Peninsula issue.** The DPRK would be unwilling in the short run to publicly announce denuclearization or an immediate return to the Six-Party talks, but would not want to lose the opportunity presented by Ambassador Bosworth's visit. **The important thing was to keep things moving in the right direction and prevent the situation spinning out of control.**

2. (C) Wang praised U.S. policy on Iran, calling it a "practical" approach. He said China was in agreement with the United States "in principle" that Iran should not be allowed to acquire nuclear weapons and that the consequences of such an event would have a negative impact on Chinese interests. He also said that China would cooperate in persuading Iran to live up to the commitments it made at the October meeting in Geneva with the P5-plus-1 to resume discussions on the nuclear issue and allow third countries to reprocess its nuclear fuel. However, Wang insisted, continued diplomacy, rather than military action or stronger sanctions, was the best option at present. U/S Burns stressed the importance of China's cooperation and would not close the door on diplomacy but that U.S. patience was wearing thin and Iran had to soon show it was complying with international agreements or face real consequences. End Summary.

China Pleased With Bosworth Visit to DPRK

3. (C) Asked his views on the North Korea nuclear situation, **CCID Director Wang stated that China was very pleased that Ambassador Bosworth was in Pyongyang, noting that the visit would be "cost effective" because the North Koreans had made clear there could be no resuming the Six-Party Talks without first convening a bilateral U.S.-DPRK dialogue. Ambassador Bosworth's visit effectively "kicked the ball" back to the North Koreans.** When asked what the likely outcome of the talks would be, Wang said the ideal outcome would be a meeting with Kim Jong-il, which would send a very positive signal, but it was impossible to predict North Korean behavior through "normal" means of reading public indicators. Wang said that Ambassador Bosworth would likely meet with First Vice Foreign Minister Kang Sok-ju, who was "a hardliner" with "strong views" and whose opinions were valued by the DPRK's top leaders. However, Kang had to follow orders from above, Wang noted, and would not want to lose such an opportunity to improve relations with the United States. The negotiations with Ambassador Bosworth would be a bargaining process, with each side trying to discern the other's bottom line.

4. (C) ***The North needed a breakthrough in its relations with the United States, Wang asserted, both because of its domestic situation and the current international environment, but it would not be easy for North Korea to make a specific promise regarding a return to the Six-Party Talks or to announce denuclearization.*** Ambassador **Bosworth's trip itself was important because it demonstrated that the United States was serious about preventing a nuclear Korean peninsula and was committed to a peaceful resolution of the issue.** Wang said China was aware that the United States worried that it would be deceived by the North but in China's view there was no need to worry because the current process of promoting dialogue and negotiations was quite transparent and the international community would know what the outcome would be.

5. (C) **Wang reiterated China's long-standing position that the key objective at this stage was to prevent the situation on the Korean peninsula from spinning out of control** and to establish a positive direction through dialogue and negotiation. He said that Ambassador Bosworth should make clear to North Korea that it was not in U.S. interests to prolong the current state of hostility, that the United States had no intention of promoting regime change in the North, and that international sanctions and relations with the DPRK's neighbors could be changed and they could help with North Korea's economic development. This was contingent upon a change in North Korean behavior and an eventual North Korean pledge to the world that it would not embark on the road to nuclear weapons. **U/S Burns responded that the United States understood the complexity of the situation and emphasized the great importance of joint U.S.-China and Five-Party efforts to bring North Korea back as soon as possible to the Six-Party Talks and its denuclearization commitments.**  
HUNTSMAN

With Obama envoy Stephen Bosworth, finally visiting Pyongyang and a lot of names floating around, Cable readers may be wondering: Who's in charge of Korea, anyway? In general, Obama's Korea team is largely devoid of the factionalism and infighting that hampered Korea policymaking during the Bush years. At the top level, strategic

decisions are being guided by James Steinberg, the deputy secretary of state, and Jeffrey Bader, the NSC's senior director for Asia. Both are well-regarded among Asia experts. Steinberg, who supports U.N. sanctions on the regime of Kim Jong Il, is said to be central to the administration's policy of slow-walking the engagement with North Korea, patiently waiting for the DPRK to exhaust its pattern of threats and come to the realization that the Obama administration is willing to engage, but not at the expense of backtracking too much on promises made in the past. "Steinberg is really running the show at that level," said one Asia hand, describing the thinking as an ABC (Anything But Chris [Hill]) approach to North Korea. Kurt Campbell, Hill's successor as assistant secretary of state for East Asian and Pacific affairs, isn't dual-hatted as Obama's lead on the North Korean nuclear negotiations, like Hill was. Campbell, who coauthored a book with Steinberg last year (*Difficult Transitions: Foreign Policy Troubles at the Outset of Presidential Power*), has focused instead on shoring up relations all over the region. He maintains a presence in the Korea debate, though it's not clear how much of a role he has. Bader took the lead on the president's trip to Asia, during which the South Korea visit was the most significant success. Observers credit Obama's increasingly strong relationship with South Korean President Lee Myung-bak in part to Bader's assiduous spade work. Bader is aided by fellow NSC staffer Daniel Russell, a career Foreign Service officer with stints in Tokyo and Seoul who previously headed State's Japan desk. If he has a strong leaning on Korea policy, he keeps it closely held. At the Pentagon, retired General Chip Gregson is the Asia point man, and like Campbell has a broad portfolio. He is seen as a more reserved but nonetheless effective. Gregson's two main aides on Korea are Principal Deputy Derek Mitchell and Deputy Michael Schiffer, both of whom are Obama appointees and close friends and work in tandem on Asia issues, including Korea. Mitchell did some groundbreaking work on the U.S.-ROK relationship when he was a fellow at the Center for Strategic and International Studies, and Schiffer is more of a Japan hand by training. Although Mitchell technically outranks Schiffer, they are seen as close collaborators who divide responsibilities as needed. For example, Mitchell went to San Diego last month to attend the Northeast Asia Cooperation Dialogue, which included North Korean government representatives, and Schiffer is in Pyongyang right now with Bosworth and Sung Kim, the special representative for North Korea and the special envoy to the Six-Party Talks, respectively. Bosworth, who is handling his administration duties part time while serving as the dean of the Fletcher School, is now delegating more and more responsibilities to Kim. Kim represents the institutional memory of the State Department on North Korea and conducted the behind-the-scenes work to set up this week's trip. By designating Kim as the head of the U.S. six-party delegation and elevating Bosworth to a broader title, the administration hopes that Bosworth will be able to find North Korean interlocutors at a higher level. Bosworth is seen as good fit for Obama's wait-and-see approach to North Korea. "Steve Bosworth is going to Pyongyang without the personal ambitions that so surrounded Chris Hill," said one Asia hand. "So he will have the political space and personal judgment to take advantage of opportunities if they arise." On the economic side, Korea policy is influenced mainly by a triumvirate of officials, made up of Assistant U.S. Trade Representative Wendy Cutler, James Loi, the White House's lead on Asian economic issues, and Kurt Tong, the head of State's Korea desk and State's lead for the Asia Pacific Economic Cooperation forum. Cutler is also in Seoul this week. But the Obama administration is still searching for a trade policy and movement on the Korea-U.S. Free



Trade Agreement is not expected anytime soon. Political bosses in the White House are said to be avoiding any movement on trade before the November 2010 midterm elections.

"What you don't have is anyone taking any leadership at all on economic issues related to Korea," one Korea watcher explained. Two other players to watch are the new special envoy for North Korean human rights, Robert King, and senior Senate Foreign Relations Committee staffer Frank Jannuzi. King is putting life into the position first awarded to but largely neglected by Jay Leftkowitz. King is in Geneva this week representing the U.S. at the U.N.'s periodical review on North Korean human rights. He is said to have good access to Secretary of State Hillary Clinton and close ties on the Hill based on his long experience as a staffer for the late Tom Lantos. Jannuzi was a key player on then-Senator Obama's campaign Asia policy team. Close to Vice President Joseph Biden, he was widely expected to move to the administration, but even though he remains at his committee post, he is considered an influential player on all things Korea and has the ear of Senate Foreign Relations Chairman John Kerry, D-MA. (Josh Rogin, "Who's in Charge of Korea? *Foreign Policy*, December 9, 2009)

North Korea acknowledged for the first time in KCNA that it has nine domestic cases of influenza A/H1N1, raising international concern that the virus may spread rapidly among its impoverished population. Seoul officials said they have relayed a message to the North offering aid to help fight the new flu. The announcement comes a day after South Korean President Lee Myung-bak ordered his government to draw up measures to help stem a possible outbreak of the disease in the North. In May, the World Health Organization supplied an emergency stockpile of 35,000 Tamiflu tablets each to North Korea and about 70 developing countries, but Seoul officials say that is not enough. "Considering the North's population is 24 million, and the infection rate going up to 20 to 30 percent in underdeveloped countries, the North would need the drug by the millions," said Kwon Jun-wook, a H1N1 specialist at the South's health ministry. (Kim Hyun, "N. Korea Confirms H1N1 Outbreak; S. Korea Moves to Offer Aid," December 9, 2009)

12/10/09

North Korea said that it will accept the South Korean government's aid aimed at tackling the H1N1 flu outbreak in the country. "The government delivered its message on flu aid in the afternoon and the North signified its assent with the proposal," said a Unification Ministry official. "Over the specific aid procedures, we will continue our discussions through the contact channel at Panmunjeom," he added. "It will take three to four months to buy additional Tamiflu. For aid to be donated early, some of the nation's stockpiles will be sent at a level that won't affect the domestic supply," said Ahn Hong-June, head of the National Disaster Prevention and Countermeasures Headquarters. The government had begun preparations for sending the aid to North Korea when President Lee Myung-bak on Tuesday called on related ministries to verify reports of the H1N1 flu outbreak in North Korea and then provide emergency aid. "(The South Korean government) should unconditionally provide drugs to treat the influenza from a humanitarian perspective," Lee was quoted as saying during the weekly Cabinet meeting on December 9 by his spokesman Park Sun-kyoo. "The assistance should be made urgently as the disease can be quickly transmitted in the North where medical

conditions are poor.” (Lee Ji-yoon, “N.K. Accepts Seoul’s Offer of Flu Aid,” Yonhap, December 11, 2009)

12/8-10/09

North Korea has told the United States it considers replacing the current armistice agreement that ended the 1950-1953 Korean War with a permanent peace treaty to be more important than normalizing bilateral ties, sources close to U.S.-North Korea relations said December 28. “Diplomatic relations can be scrapped at any time,” one of the sources quoted the North Korean side as telling Stephen Bosworth, U.S. special representative for North Korea policy, during talks earlier this month in Pyongyang with First Vice Foreign Minister Kang Sok Ju and other senior North Korean officials. “We are not interested in (normalizing ties with Washington) for the time being,” Bosworth was told, according to the source. The officials said that North Korea “can return” to the six-party denuclearization talks “if it sees interests” in doing so, the source said. The North repeated its position that it “would not go nuclear-free unless the United States changes its position (toward the North) such as abandoning a hostile policy,” the source said. The source said Obama did not propose opening a liaison office in Pyongyang in a letter to North Korean leader Kim Jong Il that Bosworth delivered. The letter from Obama urged North Korea to return to the stalled six-party talks involving the two Koreas, China, Japan, Russia and the United States and to take steps to denuclearize Pyongyang, the source said. (Kyodo, “Peace Pact Has Priority over Normalized Ties, N. Korea Tells U.S.” December 28, 2009) **Q:** Are you willing to take another bilateral meeting with North Korea as they are demanding? **BOSWORTH:** We have not talked about the possibility of another bilateral meeting. I think, as we have emphasized with regard to this bilateral meeting, it took place within the framework of the Six-Party Talks and in our view that’s where the important work must be done. So we’ll wait and see what might make sense. I don’t rule anything in and I don’t rule anything out other than that our priority is to resume work within the Six-Party process where, as you know, there is ample opportunity for bilateral dialogue as well among all six countries.” (DoS, Ambassador Stephen Bosworth, Morning Walkthrough in Beijing,” December 12, 2009) Bosworth: “I have just returned from Pyongyang, where I held extensive talks with officials of the DPRK. Those include First Vice Foreign Minister Kan Suk Ju, Vice Foreign Minister Kim Gae Gwan, and others. Our discussions were held within the framework of the Six Party Talks and were focused on the way to move forward on the verifiable denuclearization of the Korean Peninsula, and implementation of the other elements of the joint statement of September, 2005. I reported by telephone to senior U.S. government officials about my discussions in Pyongyang, and have just completed very good discussions here with Foreign Minister Yu and Ambassador Wi Sung-lac. I will report on my meetings and consult with other Six Party partners over the next few days. My purpose in meeting with the DPRK officials in Pyongyang was to facilitate the resumption of the Six Party Talks and to reaffirm the goal of fully implementing the September, 2005 joint statement. In my discussions with the DPRK officials, I communicated President Obama’s view that complete denuclearization of the Korean Peninsula is a fundamental undertaking of the Six Party process. I also conveyed to them **the absence of progress on denuclearization is an obstacle to improving of our relations or realizing other important goals of the 2005 joint statement.** I believe that this visit and my conversations in Pyongyang were very useful, and we were able to exchange views in a candid and business-like fashion. **We identified some common**

**understandings on the need for and the role of the Six Party Talks, and the importance of implementation of the 2005 joint statement. It remains to be seen when and how the DPRK will return to the six-party Talks. This is something that will require further consultations among all six of us. Nevertheless, as I said, there is common understanding with the DPRK on the need to implement the 2005 joint statement and to resume the six-party process.** It is important to point out that these were exploratory talks, not negotiations. It is certainly our hope, based on these discussions in Pyongyang, that the six-party talks can resume expeditiously and that we can get back to the important work of denuclearization. As President Obama has made clear, the United States is prepared to work with our allies and partners in the region to offer North Korea a different future. The path for North Korea to realize this future is to choose the door of dialogue in the Six Party Talks and to take irreversible steps to achieve the denuclearization of the Korean Peninsula. ... Q: My first question is were you able to meet Chairman Kim Jong Il this time, and did you carry Mr. Obama's letter on your visit to Pyongyang?. Bosworth: We did not ask for, nor did we meet with, Chairman Kim Jong Il. We met with the officials that I indicated. As for a message to the North Koreans from President Obama, in effect, I am the message. ... Q: About their comments, if at all, on the uranium program. Bosworth: No, we did not discuss that in any detail. Obviously, I remarked upon the comments that they had already made with regard to uranium enrichment, and I think it's clear that, when the talks resume, that that will be an important item on the agenda. ... Q: North Korea has been requesting that before coming back to the Six Party Talks, that peace agreement for the Korean Peninsula has to be concluded first. And also they have been asking for the normalization of diplomatic relations between North Korea and the United States. Did they ask for this? And, if they did, what was your response? Bosworth: We discussed all of the elements of the September, 2005 statement, and as we're all aware, in that statement, there is a commitment by all six parties to move ahead on a peace regime for the Korean Peninsula to replace the Armistice. **I confirmed to them that the United States remains committed to the full implementation of the joint statement and all of the elements therein, the denuclearization, the establishment of a peace regime, normalization of relations among all of the parties concerned, and the provision of economic and energy assistance. So, once we have been able to reconvene the Six Party Talks and have begun to gain significant traction on the issue of denuclearization, I would expect that we will all be prepared to discuss the evolution or the negotiation of a peace regime for the Korean Peninsula.**" (Ambassador Stephen W. Bosworth, Press Availability after Meeting at MOFAT, Seoul, December 10, 2009) The United States and North Korea generally agreed on resuming suspended four-way talks aimed at replacing a 47-year-old armistice on the Korean War with a peace treaty during a U.S. special envoy's recent trip to Pyongyang, Seoul officials said. "I believe the two sides agreed on resuming the four-party peace talks once an official agreement has been made on reviving the denuclearization talks," a South Korean government official said. "It was North Korea that first requested the matter be discussed within the four-party framework," the official added. (Yonhap, "Pyongyang, Washington Agree to Resume 4-Party Korean Peace Talks: Official," December 13, 2009) Bosworth: **Q:** Could you tell me what kind of discussions did you do with North Korea about Japan? **BOSWORTH:** We raised the subject of Japan and urged that North Korea engage with Japan, particularly on the issue of the abductees, where, as you all

know, the United States has been supportive of Japan's efforts to resolve this problem. The North Koreans indicated that they would be open to further discussions with Japan about where one might go next. **Q:** What kind of words did North Korea use when it talked about the Japanese abduction issue? **BOSWORTH:** They were very low-key, no rhetoric. **Q:** Did they raise any preconditions about restarting the Japan-DPRK dialogue? **BOSWORTH:** No." (DoS, Ambassador Stephen W. Bosworth, Morning Walkthrough, Imperial Hotel, Tokyo, December 13, 2009) President Obama has written a personal letter to North Korean leader Kim Jong Il that was delivered by the administration's special envoy for North Korea last week. The existence of the letter has been closely held, with the administration insisting to its partners in disarmament talks with North Korea that it not be publicly discussed. State Department and White House officials confirmed this week that envoy Stephen W. Bosworth delivered a letter from Obama for Kim, but they declined to describe its contents. "We do not comment on private diplomatic correspondence," said White House National Security Council spokesman Mike Hammer. Bosworth artfully evaded reporters' queries about the letter in Seoul last week, after he left North Korea. Asked whether he had brought a letter, he sidestepped the question, saying: "As for a message to the North Koreans from President Obama, in effect, I am the message." Reporters in Asia then reported that he had denied he had carried a letter. When Bush wrote Kim in 2007, he said normalized relations were possible if North Korea submitted a declaration on its nuclear programs that was "complete and accurate." Clinton wrote to Kim in October 1994 after a landmark deal under which North Korea would freeze its nuclear programs in exchange for energy aid. On its Web site, the KCNA still lists the receipt of the letter as one of the major events in a chronology of Kim's life. Glenn Kessler, "Obama Wrote a Personal Letter to North Korea's Kim Jong-il," *Washington Post*, December 16, 2009, p. A-11) North Korea apparently told a visiting U.S. envoy that international sanctions imposed on Pyongyang over its long-range rocket launch were unreasonable, insisting the launch was for non-military purposes. "(I am) aware that North Korea delivered its position to U.S. special envoy Stephen Bosworth, who traveled to the North from December 8 to 10, that the U.N. sanctions on the country are unreasonable," FM Yu Myung-hwan said at a press conference today. North Korea maintains that the rocket was launched as part of a "peaceful space program," Yu said, but the minister downplayed such claims. "(The claim) is similar to its position arguing that the U.S. should drop its hostile policy towards the North before it returns to the six-party talks," said Yu, suggesting the remarks are part of the usual rhetoric put out by Pyongyang. (Tony Chang, "N.K. Told Bosworth That U.N. Sanctions Are Unreasonable: Seoul FM," December 16, 2009) Bosworth: "The differences that exist were clear, but it also was important that we establish some areas of convergence where our views were quite similar. In particular, they accepted the importance of the Six-Party process and they accepted the critical role of the joint statement of principles of September 2005. So in that area, there was very substantial progress. And as I say, the attitude, the mood, the atmosphere was very businesslike, very matter-of-fact, and very much looking to the present and to the future. We didn't spend a lot of time examining the past, and I felt that probably was appropriate since I don't think that we would have been able to reconcile our respective views of the past. ...They agreed that we would - the subject of a uranium enrichment program is now on the agenda - for when we resume talks about denuclearization, since they put it on the agenda. ...**Q:** I'm Viola Gienger from Bloomberg News. Do you have

any sense that - when you mentioned that the Chinese are going to try to organize you and your partners in the coming weeks, what is there to organize? I mean, is there an agreement for all six parties to sit down and talk? Or is that what you're discussing among the five of you now, whether to go ahead - whether to accept - did North Korea set any sort of conditions for resuming the Six-Party Talks? **BOSWORTH:** Well, I think I won't - I'll stay where I was. They have agreed on the - as to the importance of the Six-Party process. They've indicated they would like to resume the Six-Party process. They have agreed on the essential nature of the joint statement of 2005. The other participants in the process see the situation in the same way. We all want to get back to the negotiating table. But when and how that might come about is something I just can't answer right now. And it will be the subject of ongoing consultations led, in this case, by the Chinese as the chair. **Q:** Ambassador Bosworth, David Alexander from Reuters. Do you anticipate that you will have to have another meeting with the North Koreans before the start of Six-Party Talks? And can you address the issue of the plane, you know, that was in Thailand and how that has an effect on it? **BOSWORTH:** First, we have not agreed on a subject - on the second meeting. In fact, we didn't really discuss it. I mean, **I would not rule it out, but I wouldn't rule it in either. On the other hand, we have specified that this meeting that we did have took place under the umbrella, in effect, of the Six-Party Talks.** As to the plane, as you know, the facts are still being developed. We think this is a good example of why sanctions are effective and the importance of sanctions. And this process will play out within the procedures of the United Nations. It will go to the sanctions committee, et cetera. And the U.S. obviously will follow this with interest. **Q:** I'm (inaudible) with *Korea Economic Daily*. There was a report that North Korea did ask for lifting the sanctions by UN, and could you confirm that? **BOSWORTH:** Well, **I think the North Koreans are always asking for a lifting of the sanctions from the UN, but that's a decision that was taken by the international community specifically by the Security Council.** And I think that's where I will leave the - leave my answer, other than to say **that in the language of 1874, the formula for revision of the sanctions is quite clear. The North Koreans come back to the Six-Party process, we resume significant progress on denuclearization, and then the Security Council will evaluate the status of the sanctions.** ...**Q:** Ai Awaji from Jiji Press. Mr. Ambassador, how much did you discuss about the peace treaty issue with them? Did they demand that that issue has to be resolved before they decide to return to the Six-Party Talks? And how are you going to handle the issue? **BOSWORTH:** Well, the commitment to move toward a new arrangement, a peace treaty on the Korean Peninsula, is a commitment that all six parties accepted in the joint statement of September 2005. So when they say that they view that as an important element, I can say with great sincerity so do we. Now clearly, all of the - when we do come back to the Six-Party Talks, one of the first challenges is going to be to agree on an overall sequencing of the denuclearization, the move toward a new peace regime, a peace treaty, the provision of energy and economic assistance, normalization of relations, the establishment of some sort of a structure for Northeast Asian security. All of these things are in play. Not all of them are going to be the subject of discussion among all six. But all these things are important. We've all said that we want to move ahead on those. So yes, we talked about all of these issues. We talked specifically about what kind of conditions would be necessary to move into a peace treaty negotiation, et cetera." (DoS, Briefing on Recent Travel to Pyongyang, December 16, 2007)

The U.S. envoy for North Korea failed to secure a firm commitment from the isolated state to resume nuclear disarmament negotiations but said on Thursday he had won assurance that it supported the languishing deal. Stephen Bosworth, speaking after a three-day trip to Pyongyang, described as "candid and businesslike" his talks with First Vice Foreign Minister Kang Sok-ju, the man seen as the mastermind of the North's nuclear policy. "(There) is common understanding with the DPRK (North Korea) on the need to implement the 2005 joint statement and to resume the six-party process," he said, referring to a 2005 deal where the North takes apart its nuclear arms program in exchange for massive aid and an end to its diplomatic isolation. But he added: "It remains to be seen when and how the DPRK will return to the six-party talks." "The resumption of talks with the North **is something that will require further consultation from all six of us,**" he said. "It is important to point out that these were exploratory talks, not negotiations. It is certainly our hope, based on these discussions in Pyongyang, that six-party talks can resume expeditiously and we can get back to the important work of denuclearization," Bosworth said. (Jack Kim, "U.S. Envoy Makes Some Common Ground in North Korea Visit," Reuters, December 10, 2009) The United States and North Korea have reached a "common understanding" on the need to resume the six-party denuclearization talks and to implement a 2005 deal reached in the talks, a senior U.S. envoy said here after his three-day trip to Pyongyang. Stephen Bosworth, special representative for North Korea policy, said he met in Pyongyang with the country's vice foreign minister and its top nuclear envoy. (Kyodo, "U.S., N. Korea agree on need for 6-party talks: Bosworth," December 10, 2009)

: DoS Daily Briefing: "Did North Korea demand peace treaty at the bilateral meeting? **A: The North Koreans brought up the issue of the peace treaty.** We were not surprised by that. And our response was that, you know, you've got to come back to the Six Party Process, **you've got to take demonstrable steps on denuclearization. At that point, we would be in a position to address other issues.** I think Steve Bosworth was asked this very specific question in Seoul. Q: You said North Korea did not request second meeting. They also didn't pledge to come back to Six Party talks. So what's that mean - that's the end? A: I would say it this way. The meeting went just about as we expected it to. I don't think that - obviously, we were prepared to have them say 'yes.' They didn't say yes but we believe in going to North Korea, they understood what we were telling them. **They understood the centrality of the Six Party process and the 2005 Communiqué and now we kind of, await their response.** That doesn't surprise us. This is the first high level meeting in more than a year. It had the dynamic that we kind of expected. They raised a lot of issues. As they do in these meetings, they spent a fair amount of time expressing their concerns, what they perceive as grievances along the way. But, at the end of this **we thought it was constructive and we'll await their next steps. The ball is still in their court. Eventually, they have to say yes.** Because otherwise the alternative is we will continue to aggressively enforce sanctions and we'll continue the consultations partners in the Six Party Process. So the ball is in their court to tell us what they're prepared to do and how they envision getting from where we are today to the Six Party Process. Q: So they didn't say no. A: They did not say no. No. they understand that eventually they have to come back to the Six Party Process in order to address the issues that they have on their list. But they've been in this situation before and the ball is in their court. What we will do now is we will have consultations with the

Chinese, the Japanese. They also have had conversations and will continue to have conversations with North Korea. So the North Koreans have not yet said yes. **And whether the next step is a phone call that says, 'Okay. Set it up,' or the next phone call says, 'We need a second meeting,' we'll be prepared for both of those possibilities.**" (DoS Daily Briefing, December 11, 2009)

KCNA: "A delegation of the U.S.-DPRK science engagement consortium led by Peter Agre, president of the American Association for the Advancement of Science, arrived here by air." (KCNA, "U.S.-DPRK Science Engagement Consortium Delegation Here," December 10, 2009) A group of American scientists wrapped up their five-day trip to North Korea aimed at fostering bilateral cooperation in science research, Pyongyang's media said December 15. The six-member delegation from the American Association for Advancement of Science (AAAS), led by Peter Agre, a Nobel laureate in chemistry, had traveled to Pyongyang on a mission to explore future opportunities for collaborative research activities in various fields. Agre, director of the Johns Hopkins Malaria Research Institute and president of the AAAS, said earlier that his delegation would meet with scientists, university and science policy officials in the North. He also planned to give a lecture for North Korean officials and students at the Kim Chaek University of Technology in Pyongyang. Another U.S. delegation visiting North Korea, consisting of businessmen, met with the North's Vice Premier Ro Tu-chol on Tuesday, state media said in a one-sentence dispatch. The team from the Business Executives for National Security, a non-partisan Washington-based organization led by Charles Boyd, a retired U.S. Air Force four-star general, arrived in Pyongyang a day earlier. (Yonhap, "U.S. Scientists Leave Pyongyang after Talks on Academic Cooperation," December 15, 2009)

12/11/09 DPRK FoMin spokesman: "Stephen Bosworth, U.S. special representative for DPRK policy, and his party visited Pyongyang from December 8 to 10. During their stay they had talks with the vice-minister for U.S. affairs of the DPRK Foreign Ministry and its first vice-minister met with them. At the meeting and talks both sides had a **long exhaustive and candid discussion on wide-ranging issues including the conclusion of a peace agreement, the normalization of the bilateral relations, economic and energy assistance and the denuclearization of the Korean Peninsula.** Through working and **frank** discussion the two sides **deepened the mutual understanding, narrowed their differences and found not a few common points.** They also reached a **series of common understandings of the need to resume the six-party talks and the importance of implementing the September 19 Joint Statement.** Both sides agreed to continue to cooperate with each other in the future to **narrow down the remaining differences.**" (KCNA, "DPRK Foreign Ministry Spokesman on U.S. Representative's Pyongyang Visit," December 11, 2009)

The KCNA report, which came hours after Secretary of State Hillary Clinton openly described the Pyongyang meetings as "positive," lent credence to speculation that the two sides are likely to have additional contact in the coming weeks or months to set up a new round of six-way talks. "For a preliminary meeting, it was quite positive," Clinton told reporters after Bosworth briefed South Korean officials on the results of his activity in the North on Thursday. "The approach that our administration is taking is of strategic

patience in close coordination with our six-party allies." Philip Crowley, the U.S. assistant secretary for public affairs, also said, **"We await more information from North Korea as to whether and how they will proceed to come back to the six-party process. Whether that means, you know, a phone call or another meeting, we will wait and see."** (Tony Chang, "N.K., U.S. Positive about Recent Talks: KCNA," Yonhap, December 11, 2009)

Wikileaks cable: Friday, 11 December 2009, 10:22 see 12/9/09

A cargo aircraft flying from North Korea and carrying tons of weapons has been seized by Thai authorities during a refueling stop in Bangkok, Thai officials said. A senior Obama administration official said the United States – which fears North Korea will sell some of its nuclear technology – had tipped off the Thai authorities that the plane, which landed here December 11, might be carrying weapons. "From our visual inspection there seem to be several types of weapons, components and materials: long tubes, shoulder-fired missiles, certain types of rocket propelled grenades," Panitan Wattanayagorn, a government spokesman, said in an interview. Panitan said many crates removed from the aircraft had not yet been opened. The full payload was brought to an air force base in central Thailand and will be inspected in two days, he said. (Thomas Fuller and David E. Sanger, "Thais Seize Plane Carrying Weapons from North Korea," *New York Times*, December 13, 2009, p. 12) Thai authorities need "one to two days" to examine 35 tons of weapons seized from a cargo plane from North Korea that stopped over at a Bangkok airport for refueling, Thai Deputy Prime Minister Suthep Thuagsuban said. Suthep told reporters that this is a sensitive international issue and Thai security authorities have to investigate the case carefully. "We have to be careful because it's related to several countries, and I want to emphasize that Thailand does not have negative intention toward any country," he said. Police sources and military officials said the weapons seized included more than 20 anti-aircraft missile launchers and at least 48 antitank rocket-propelled bombs. (Kyodo, "Thailand Needs Time to Study Seized Weapons from N. Korea: Official," December 13, 2009) A shipment of arms and apparently sophisticated missiles from North Korea seized here on a tip from American intelligence agencies has set off a series of investigations, as officials try to determine whether the cargo was headed to South Asia or the Middle East. One senior official said he believed that the shipment was headed to Iran, a major buyer of North Korean missiles and arms, some of them passed on later to Hezbollah or Hamas. Others said they thought the more likely destination was Pakistan. Thai officials said they intended to charge the crew members with possession of weapons of war. A court here approved a 12-day detention for the five men. But in their first interview since they were arrested, the crew members insisted that they did not know they had been transporting an arsenal of at least 30 tons of missiles, grenade launchers and other weapons, some of which the Thai authorities were still trying to identify. "They said it was oil drilling equipment," said Viktor Abdullayev, the plane's co-pilot. "That's what the manager told us," he said, referring to the crew's employer, a civilian cargo company from the former Soviet republic of Georgia. Abdullayev and his colleagues said they started their trip in Ukraine, picked up cargo in North Korea and were traveling back to Ukraine via Thailand, Sri Lanka and the United Arab Emirates. They declined to say in which of those locations the cargo was meant to be delivered. The emirates, officials note, are often



used as a transit point to Iran. Abdullayev said it never occurred to him to ask about the cargo. "I have no interest in what I carry," he said. "Like a truck driver: just keep driving." An intriguing hint about his cargo came from a photograph published in Thailand. It showed a series of rockets stacked in the cargo hold, with the crates marked "K 100." The rockets were visible, though partly shrouded. Numbers on individual crates that ran in sequence – like 78, 83, 86 and 87 – presumably denoted the individual weapons in the shipment. Charles P. Vick, a missile expert at GlobalSecurity.org, a research group in Alexandria, Va., said that if the markings were correct, the rockets might be K-100s, a type of Russian missile designed to destroy sophisticated radar planes. They are advertised as "Awacs killers," a reference to the Airborne Warning and Control System planes used by the United States, Israel and soon India, which can orchestrate combat plans. Vick noted that the diameter and length of the packaged missiles in the photograph appeared to match the specifications of the K-100: 16 inches wide and 20 feet long. "It's just a guess," he cautioned. But he said it was also possible that the tubular weapons might be smaller artillery rockets packed end to end to fit in the large metallic crates. Those types of rockets are "the kind of thing" that Hamas and Hezbollah use against Israel, he said. Panitan Wattanayagorn, the Thai government spokesman, said in an interview that the aircraft, a Russian-made Ilyushin 76 registered in Georgia, passed through Bangkok twice – on its way to North Korea and on its return. Four of the crew members are from Kazakhstan: Abdullayev, Ilyas Issakov, Aleksandr Zrybney and Vtaliy Shurmnov. The fifth, Mikhail Prtkhou, is from Belarus. (Thomas Fuller and David E. Sanger, "Officials Seek Destination of North Korean Arms," *New York Times*, December 14, 2009, p. A-3) A flight plan for the IL-76, obtained by researchers in the U.S. and Belgium, shows that after Bangkok the plane was due to make refueling stops in Sri Lanka, the United Arab Emirates and Ukraine before unloading its cargo in Tehran. Iranian officials didn't respond to requests for comment. The flight plan indicates that en route to Pyongyang the plane stopped at an air force base in Azerbaijan; the nature of that stop is unclear. Azerbaijani officials couldn't be reached for comment. A question still unanswered is who organized the weapons shipment. It appears the planners went to great lengths to hide their identities. The plane is registered to a company in the Republic of Georgia, Air West Ltd. Air West on November 5 leased it to another firm, SP Trading Ltd., according to an Air West manager and a contract seen by *The Wall Street Journal*. SP Trading, registered in New Zealand, appears to be a shell company owned by other companies. (Daniel Michaels and Margaret Coker, "Arms Seized by Thailand Were Iran-Bound," *Wall Street Journal*, December 21, 2009) The shipment including rockets, fuses, rocket launchers and rocket-propelled grenades was bound for Iran, according to a confidential report that the Thai government sent to a U.N. Security Council committee. (Reuters, "North Korea Arms Said to Be for Iran," *New York Times*, January 31, 2010, p. 14) A Thai government report to the U.N. Security Council, leaked to reporters in New York over the weekend, said the aircraft, which had violated U.N. sanctions against North Korea, was bound for Tehran's Mahrabad Airport. But Thai government spokesman Panitan Wattanayarkorn said Monday that "to say that the weapons are going to Iran, that might be inexact." "The report only says where the plane was going to according to its flight plan, but it doesn't say where the weapons were going to," he said. "It's still under investigation, and the suspects are under our legal system." Investigations by *The Associated Press* in several countries showed the flight was facilitated by a web of holding companies and fake addresses from New

Zealand to Barcelona designed to disguise the movement of the weapons. The plane's chief pilot maintains that the aircraft was headed for Kiev, Ukraine. "I never said or confirmed the plane was routed to Iran. I only know that the plane was going to Ukraine and the cargo was to have been unloaded there. That's the information I have," the crew's Thai lawyer, Somsak Saithong, told The Associated Press. (Jane Fugal, "North Korean Weapons Mystery Continues," Associated Press, February 1, 2010) Thai prosecutors have dropped charges against the crew of a plane carrying North Korean weapons despite United Nations resolutions that bar Pyongyang from selling arms. The Attorney General's office in Thailand said Thursday it will not prosecute the five-man crew, whose plane stopped in Bangkok with 35 tons of North Korean weapons on board. Thai authorities say the men -- one from Belarus and four from Kazakhstan -- will be sent back to their home countries where they will face charges. The Thai Attorney General's office says the decision was made, at least in part, to maintain good relations with the two countries. The lawyer for the aircrew says the men believed they were transporting oil drilling equipment. Ken Boutin, a lecturer in international relations who studies security issues at Australia's Deakin University, says it is possible the men had no idea they were smuggling North Korean weapons. "It's not unusual in arms transfers of this type for the carriers of the arms to be unaware of what they're carrying. So, in a sense, charging them may have been charging someone who they knew basically to be innocent of any deliberate attempt to violate U.N. sanctions," he said. (VOA News, "Thailand Drops Charges against Crew of Plane Carrying N. Korean Weapons," February 11, 2010) "To charge them in Thailand could affect the good relationship between the countries," said Thanaphit Mollaphruek, a spokesman for the Attorney General's Office. "We have decided to drop all the charges and deport them." "To charge them in this case would not be a benefit to Thailand," Thanaphit told a news conference, saying the men had planned to transit the weapons through Thailand and had no intention of using them in the country. "They were only here for refueling." Kayasit Pissawongprakan, director-general for the Attorney General's criminal litigation division, told reporters, "We are not saying that they're not guilty, just that we will not indict them in Thailand." (Jocelyn Gecker, "Thailand to Deport Crew of N. Korean Weapons Plane," Associated Press, February 11, 2010) Israeli FM Avigdor Lieberman said during a visit to Japan that the three countries are cooperating and pose the biggest threat to world security because they are building and spreading weapons of mass destruction. "This axis of evil that includes North Korea, Syria and Iran, it's the biggest threat to the entire world," he told journalists in Tokyo. "We saw this kind of cooperation only two or maybe three months ago with the North Korean plane in Bangkok with huge numbers of different weapons with the intention to smuggle these weapons to Hamas and Hezbollah." (Associated Press, "Israeli Foreign Minister Calls Iran, Syria and North Korea the 'New Axis of Evil,'" May 12, 2010)

Pyongyang denounced Seoul's idea of offering money or goods to the North in exchange for the release of South Koreans held across the border against their will. "There are no such things as South Korean prisoners of war or abductees (in the North)," *Rodong Sinmun* said. "The issue of POWs was settled by the Armistice Agreement (in 1953). There are people who voluntarily defected to the North, but no abductees in the first place."

12/12/09 Ozawa Ichiro, speaking at Seoul's Kookmin University, apologized for wrongdoings his country committed during its colonization of Korea in the early half of last century. The DPJ Secretary-General also said he expected his country's parliament to pass legislation next year that will give ethnic Koreans living in Japan the right to vote in local elections. "There was an unfortunate era in modern history involving the relations of the two countries. It is a historical fact that I, as a member of the Japanese nation and Japan, must apologize to you," he said. "I believe everyone here thinks that Japan and South Korea should pursue friendly relations and solidarity," he said. "If we remain fixated on the past history, no good results can come from the future of the two nations." (*Korea Herald*, "Ozawa Apologizes for Wartimes Atrocities," December 14, 2009)

12/14/09 Japanese Prime Minister Hatoyama Yukio and Chinese Vice President Xi Jinping agreed to deepen the two countries' strategic, mutually beneficial relationship, Xi said during a banquet following their meeting. "Much to our pleasure, the China-Japan relationship is currently moving in the right direction through efforts by both of our governments and people," Xi said in a speech during the banquet held at the premier's office in Tokyo. "I came to Japan this time to make efforts primarily to develop China-Japan friendship and assume my responsibilities in my own way," the Chinese vice president, who is seen as the front-runner to succeed President Hu Jintao, said. (Kyodo, "Hatoyama, Xi Agree to Further Deepen Japan-China Strategic Ties," December 14, 2009)

The seizure in Bangkok of a Georgian cargo aircraft carrying weapons from North Korea is giving rise to concerns that U.S.-North Korea dialogue could suffer as a result. North Korea is being as duplicitous by pursuing dialogue with the U.S. while continuing with its weapons exports. Some say the mood of detente between the United States and North Korea was always an illusion. One diplomat said Bosworth's mission was "a face-saving step to fudge the fact that the Barack Obama administration has had no dialogue with North Korea nearly a year since its inauguration." Bosworth is now jet-setting around the world to visit the other partners in the six-party talks -- China, Russia and Japan -- to avoid criticism at home and abroad that the Obama administration has made no efforts to resolve the nuclear issue, the diplomat said. Many doubt there would be any progress in the six-party talks even if the North agreed to return -- a result Bosworth notably failed to achieve during his visit. Ha Young-sun, a professor at Seoul National University, said, "Given that there has been no basic change in the positions of the U.S. and North Korea, the only productive aspect is that the U.S. has managed to engage the North in some kind of dialogue." (*Chosun Ilbo*, "What Hope for Progress in U.S.-D.P.R.K. Talks?" December 14, 2009)

Bosworth: **Q:** "RIA Novosti, Ivan Zakharchenko. Ambassador Bosworth, is your country ready to sign a peace treaty with DPRK? **BOSWORTH:** My country, like the other five countries participating in the Six-Party Talks, are already committed to negotiate toward the establishment of the peace treaty on the Korean Peninsula -- that's part of the joint statement. But as I pointed out in Pyongyang, one of the fundamental requirements of permanent peace on the Korean Peninsula will be the denuclearization of the Korean Peninsula." (DoS, Stephen W. Bosworth, Press Availability with Russian Deputy Foreign Minister Borodavkin, December 14, 2009)

North Korean authorities are apparently trying to placate people outraged at a shock currency reform announced on December 1, raising the maximum amount of old bills that can be exchanged into new ones, sources in North Korea said. The decision follows reports of market riots in response to skyrocketing commodity prices that caught authorities on the back foot. Sources said the North on December 6 raised the maximum amount of old bills that can be exchanged from 100,000 won per person to 500,000, still at a rate of 100:1. Authorities reportedly said this was only a first step, and eventually people would be allowed to exchange all their old bills into new ones if they deposit their money in the bank.

That in turn raised fears among people that their savings could effectively disappear if, as has happened in the past, they then not allowed to withdraw any money. Authorities then promised not to trace the sources of deposits up to 1 million won, and allow people to deposit more than 1 million and withdraw all of it if they can explain how they earned it.

The announcements came after rioting by market traders in the Hamhung region was reported on December 5-6 amid sympathy from ordinary people, sources said. The riot by was apparently of such proportion that 12 "masterminds" were summarily executed, with authorities on heightened alert for mass defections, suspending issuance of border passes and reinforcing border guards. A high-level North Korean source said it seems authorities "are backtracking under pressure from market forces. We're now living in an era where it's not as easy as it used to be to deal so recklessly with people's property. That's why I think authorities will eventually end up allowing people to exchange all the money they have in old bills into new ones." Another inside source said during the last currency reform in 1992, all state agencies made thorough preparations, but this time they seem to have acted in haste and without a plan for what happens after. (*Chosun Ilbo*, "N. Korea Backtracks As Currency Reform Sparks Riots," December 15, 2009) North Korea shut street markets to buy time to bring down prices that have surged since a recent currency revaluation, a Seoul-based rights group said. The three-day closure, which began yesterday, came after markets sold most goods for more than double the revised prices set by the communist regime and announced on December 9, Good Friends said today on its Web site. The government may readjust the state prices, according to the group, which says it obtains information by contacting people in North Korea. (Boni Lim, "N. Korea Shuts Markets As New Banknotes Stoke Prices," *Bloomberg News*, December 15, 2009)

A delegation led by Ju Sang-song, head of the North's Ministry of People's Security, left Pyongyang for China by air, the North's Korean Central News Agency said in a brief dispatch. (Tony Chang, "N. Korea's Security Minister Visits China: KCNA," Yonhap, December 15, 2009)

12/15/09

The Emperor held an audience with visiting Chinese Vice President Xi Jinping--the man seen as the front-runner to succeed Chinese President Hu Jintao -- at the Imperial Palace this morning. According to the Imperial Household Agency, during their 24-minute meeting in the Takenoma Room, the Emperor expressed to Xi his sympathy for the victims of the cataclysmic earthquake that hit China's Sichuan Province in May last year. An exception was made after Prime Minister Hatayama Yukio instructed the government

to arrange the meeting, saying, "The Japan-China relationship is extremely important." Imperial Household Agency Grand Steward Haketa Shingo expressed his fears Friday that an exception was made so the Emperor could be used for political purposes. Hatoyama denied this was the case and said he saw no problem with the meeting being held though it was arranged at short notice. DPJ Secretary General Ozawa Ichiro lambasted Haketa, saying, "If he's so determined to oppose the meeting, he should say so after submitting a letter of resignation." Ozawa is believed to have made a request to the Prime Minister's Office to arrange a meeting between the Emperor and Xi. (Yomiuri Shimbun, "Emperor, China's Xi Hold Talks," December 16, 2009)

The DPJ-led ruling coalition said it will put off resolving the relocation of U.S. Marine Corps Air Station Futenma until next year, effectively prolonging an issue that has raised tension between Tokyo and Washington as well as within the ruling coalition. The decision, which PM Hatoyama called "the government's position," puts forward that the DPJ, the Social Democratic Party and Kokumin Shinto (People's New Party) will maintain their trilateral discussions and continue seeking an appropriate relocation site for the base. The government will set up a new committee to study the issue but will also allocate funds in the fiscal 2010 budget for the Futenma relocation without a finalized site. According to government sources, Chief Cabinet Secretary Hirano Hirofumi proposed during a tripartite meeting in the morning that a decision on Futenma be made by May. Usually the budget clears Diet deliberations by that month after submission in January. But SDP chief Fukushima Mizuho insisted that the government avoid setting a specific deadline, the sources said, adding that Hirano eventually backed down. "The three parties confirmed plans to cooperate in handling the issue," Hirano told reporters after the agreement was reached at a ministerial committee meeting. (Hongo Jun and Alex Martin, "Futenma Decision Shelved till 2010," December 16, 2009) The postponement was probably meant to buy time as Hatoyama looks for some middle ground or prepares to make a tough choice between Washington and his domestic allies, leftist parties in his coalition. [Are upper House and Okinawa elections a better explanation?] (Martin Fackler, "Japanese Leader Puts off Base Decision," *New York Times*, December 16, 2007, p. A-16)

12/17/09 China's Vice President Xi Jinping met with President Lee Myung-bak in Seoul. "The president expressed gratitude to China for playing a big role in resolving the North Korean nuclear issue as the chair of the six-nation talks," said presidential spokesman Park Sun-kyu in a briefing on their talks at Cheong Wa Dae. The president furthermore emphasized that he hopes for China to play an even bigger role in 2010 as it is likely to become a watershed year for solving the North Korean issue. Xi responded that the two nations should capitalize on their current good relations to help develop the political situation on the Korean Peninsula in a positive direction, Park said. Xi notably mentioned the "Grand Bargain" proposal that Lee made towards the North as being one of the resolutions to the North Korean nuclear problem. (Kim Ji-hyun, "Seoul, Beijing to Work Closer on N.K. Nukes," *Korea Herald*, December 18, 2009)

12/14-17/09 U.S. business executives said they told North Korean leaders that they must give up their nuclear ambitions if they want foreign investment in the isolated country. The rare unofficial trip to Pyongyang by independent U.S. business leaders last week came at the

invitation of the North Korean government. The delegation was led by retired U.S. Air Force Gen. Charles Boyd, the president of Business Executives for National Security. It included former American International Group chief executive Maurice "Hank" Greenberg and Ross Perot Jr., chairman of Perot Systems and son of the former presidential candidate. The group met with the head of the North Korean parliament and other officials. Boyd said in a conference call Tuesday that North Korean officials rejected the business delegation's message. "They were not at all pleased that we were drawing the direct connection between potential economic engagement with the rest of the world and the resolution of the nuclear issue," he said. (Associated Press, "U.S. Executives Warn North Korea on Arms," Washington Post, December 23, 2009, p. A-4)

12/18/09 South Korea sent H1N1 flu medications for 500,000 people to North Korea in the first state-level humanitarian assistance to its impoverished neighbor in nearly two years. The shipment of Tamiflu and Relenza worth US\$15 million was transported over the military demarcation line to the North's border town of Kaesong in the morning. "North Korea expressed deep gratitude to South Korea over its prompt provision of the medications," Kim Young-il, a Unification Ministry official told reporters after returning from the trip with refrigerator trucks carrying the drugs. (Kim Hyun, "S. Korea Sends Flu Aid to N. Korea," Yonhap, December 18, 2009)

The National Intelligence Service and the Defense Security Command in mid-November discovered that an officer with the Korea-U.S. Combined Forces Command had used an unsecured USB memory stick and in that process some contents of the plan, dubbed OPLAN 5027, contained in his PC was accessed by a hacker with a Chinese IP address, according to the January edition of *Monthly Chosun*. The DSC carried out sweeping security checks after the *Monthly Chosun* reported in November that the military Internet network had been breached by a North Korean hacking unit, and that in the process the agency confirmed that OPLAN 5027 had been hacked. (*Chosun Ilbo*, "N. Korea 'Hacks into S. Korea-U.S. War Plans,'" December 18, 2009)

12/19/09 North Korea said that the dispute over its nuclear program should not impede inter-Korean relations, accusing South Korea's government of standing in the way of improving ties on the pretext of nuclear concerns. Pyongyang has routinely criticized Seoul in recent weeks for maintaining its ban on inter-Korean tourism projects and restrictions on civic visits. "The nuclear issue has nothing to do with North-South relations and therefore, it cannot become an obstacle to improving inter-Korean relations," *Rodong Sinmun* said in a commentary carried by KCNA. Pyongyang argues that Seoul should stay out of negotiations with Washington over the North's nuclear weapons program. It claims that the U.S. provision of extended nuclear deterrence capabilities to South Korea has forced it to develop nuclear weapons for self-defense. *Rodong Sinmun* criticized South Korean Unification Minister Hyun In-taek, who said recently that "Clamoring for better relations while holding on to nuclear weapons is like searching for fish while up in a tree. To catch a fish, one has to come down from the tree." Hyun's remarks were an "insult to even our will to improve inter-Korean relations," the paper said. "The South Korean authorities are zealously pursuant to the U.S. campaign" against North Korea over the nuclear issue, it added. (Yonhap, "Pyongyang Says Inter-Korean Relations Separate from Nuclear Dispute," December 19, 2009)

12/21/09 KPA Navy Command spokesman's statement: "A dangerous situation still prevails in the waters of the West Sea of Korea due to the deliberate military provocations of the warmongers of the military and conservative forces of south Korea despite our repeated warnings. The frequent intrusions of the warmongers of the south Korean military into the territorial waters of the north side in the West Sea of Korea have recently developed into adventurous bombardments. The warmongers of the military and the conservative forces of south Korea are seeking to preserve the illegal 'northern limit line' through their premeditated military provocations and going so foolish as to insist that the waters south of it are their territorial waters and make them an established fact. The Navy Command of the KPA states as follows in order to cope with the grave situation prevailing in the waters of the West Sea of Korea: 1. In order to counter the reckless military provocations of the warmongers of the south Korean military **our navy declares the waters on the extension of the Military Demarcation Line in the West Sea under the control of our army as a peacetime naval firing zone of coastal and island artillery units** of the KPA. 2. All fishing boats and warships are required to take security measures by themselves in that zone to protect themselves. 3. We re-clarify **at home and abroad** that there exists no illegal 'northern limit line' except the extension of the Military Demarcation Line in the waters of the West Sea of Korea declared by the DPRK. (KCNA, "KPA Navy Sets up Firing Zone on MDL," December 21, 2009)

"We consider it deeply regrettable that North Korea's naval command made unreasonable claims threatening our warships and boats that operate normally in our area," the South's navy said in a statement. "We are fully ready to defend the maritime demarcation line and will act sternly in case of North Korean provocations." (Jaesoon Chang, "North Korea Declares Disputed Waters 'Firing Zone,'" Associated Press, December 21, 2009)

12/22/09 North and South Korea plan to pen modernized military hot lines next week to improve cross-border communications, the South Korean Defense Ministry said. The old copper lines were outdated and sometimes failed to function, holding up border clearances for South Korean workers travelling to and from Kaesong joint industrial complex. South Korea sent fiber-optic cables and other materials to the North two months ago, and since then both sides have been laying the new lines. (Choe Sang-hun, "Koreas to Open Upgraded Military Hot Lines," *New York Times*, December 22, 2009)

12/23/09 The two Koreas reached consensus during a rare survey in China and Vietnam December 12-22 that both sides want their joint factory park to become internationally competitive, though a number of issues remain unresolved. "They didn't go into any specifics with us, but as they saw advanced-level factories in Chinese and Vietnamese industrial parks and their competitive products, they said they wished the Kaesong park would grow like them," Kim Young-tak, a Unification Ministry official who led the South Korean team, said at a press briefing. The itinerary of the ten-member delegation from each side included visits to Chinese factories run by such South Korean giants as steelmaker POSCO Co. and office equipment maker Sindoh Co., and to a Vietnamese handset plant operated by Samsung Electronics Co. Their factories are located in Qingdao, an industrial port town in China's northeast, and in Suzhou, a hub for China's silk industry, as well as in Yenpong, a Vietnamese town near Hanoi. "The

notable thing was that the North side was always cooperative and actively participated," Kim said. North Korean officials paid attention to wage and insurance systems, and particularly to issues of payment delays, noting that some of the South Korean firms in Kaesong often delay wage payments for their North Korean workers, Kim said. The South side was more interested in infrastructure and safety issues, tax benefits and customs systems, he said. Currently 116 South Korean firms operate in Kaesong Industrial Complex with about 42,000 North Korean workers, producing mostly labor-intensive goods such as electronics, clothing and kitchenware. The park's output in October reached \$27 million, up 12 percent from \$24 million a month earlier, according to the latest ministry data. Meanwhile, Seoul planned to provide additional aid to North Korea following a series of recent small-scale humanitarian assistance shipments. About 5 billion to 10 billion won (\$4.2 million to \$8.4 million) worth of aid will be provided through non-governmental organizations to improve the nutrition of infants, children and pregnant women in provincial regions other than Pyongyang, officials said. (Kim Hyun, "Koreas Reach Broad Consensus on Joint Factory Park," Yonhap, December 23, 2009)

12/24/09 FM Okada Katsuya letter to Clinton: "It was reported in some sections of the Japanese media that, during the production of the report of the Congressional Commission on the Strategic Posture of the United States released in May this year, Japanese officials of the responsible diplomatic section lobbied your government not to reduce the number of its nuclear weapons, or, more specifically, opposed the retirement of the United States Tomahawk Land Attack Missile - Nuclear (TLAM/N) and requested that the United States maintain a Robust Nuclear Earth Penetrator (RNEP). However, the Japanese Government is not in a position to judge whether it is necessary or desirable for your government to possess particular [weapons] systems. Hence, although the discussions were held under the previous Cabinet, it is my understanding that, in the course of exchanges between our countries, including the deliberations of the above mentioned Commission, the Japanese Government has expressed no view concerning whether or not your government should possess particular [weapons] systems such as TLAM/N and RNEP. If, hypothetically, such a view was expressed, it would clearly be at variance with my views, which are in favor of nuclear disarmament. Nevertheless, if TLAM/N is retired, we hope to receive ongoing explanations of your government's extended deterrence policy, including any impact this might have on extended deterrence for Japan and how this could be supplemented." (Letter from Foreign Minister Okada Katsuya to Secretary of State Hillary Clinton, unofficial translation, appended to Hans Christensen, "Japanese Government Reject TLAM-N Claim," FAS Blog, January 24, 2010)

12/25/09 References to the disputed Takeshima islets have been excluded from a new manual for senior high school curriculum guidelines in an apparent attempt by the government to avoid aggravating South Korea. But the move is unlikely to appease Seoul, which has already expressed its displeasure at the inclusion of an indirect reference to the islets, known as Tokto in South Korea. The manual, which will be used from fiscal 2013, urges teachers to "deepen the understanding (of students) about territorial issues." It says this should be "based on what they studied in junior high school." According to sources,



government officials gave serious consideration to including a direct reference--but Chief Cabinet Secretary Hirano Hirofumi and other officials opted against it. In a statement released today, a spokesperson for South Korea's MOFAT expressed regret about the latter phrase. It is likely to be viewed as an allusion to a controversial new manual for junior high school teachers released last year that directly discusses the rocky outcrops off Shimane Prefecture. (*Asahi Shimbun*, "Takehima Reference Dropped in Senior High School Manual," December 25, 2009)

12/26/09 Kim Jong-il moved early this month to wipe out much of the wealth earned in the past decade in his country's private markets. But this time, in a highly unusual challenge to Kim's near-absolute authority, grass-roots anger and a reported riot in an eastern coastal city pressured the government to amend its confiscatory policy. Exchange limits have been eased, allowing individuals to possess more cash. The currency episode reveals new constraints on Kim's power and may signal a fundamental change in the operation of what is often called the world's most repressive state -- a change driven by private markets that now feed and employ half the country's 23.5 million people, and appear to have grown too big and too important to be crushed, even by a leader who loathes them. Analysts say there has also been evidence of unexpected shifts in the limits of Kim's authority. "The private markets have created a new power elite," said Koh Yu-whan, a professor of North Korean studies at Dongguk University in Seoul. "They pay bribes to bureaucrats in Kim's government, and they are a threat that is not going away." In the view of several outside experts, this month's currency revaluation was a preemptive strike against the markets by Kim, an aging leader who is worried about succession and trying to buy time. "This was one of the strongest measures he could take," said Cho Young-key, a professor of North Korea studies at Korea University in Seoul. "Kim is thinking that if he can't control the markets now, in the future it will get even harder, and then he will be handing power to the son." Stripping wealth from merchants is consistent with Kim Jong Il's long-held abhorrence of capitalist reform. His government regards it as "honey-coated poison" that can lead to regime change and catastrophe, according to *Rodong Sinmun*. "It is important to decisively frustrate capitalist and non-socialist elements in their bud." Affordable electronics are also cracking open the government's decades-old seal on incoming information. Imported radios -- and televisions in border areas -- are enabling a substantial proportion of the North Korean populations to tune into Chinese and South Korean stations, as well as Radio Free Asia and Voice of America, according to an unpublished survey of newly arrived defectors in South Korea. It found that two-thirds of them listened regularly to foreign broadcasts. (Blaine Harden, "In N. Korea, Resistance Is the New Currency," *Washington Post*, December 26, 2009, p. A-16)

A Christian missionary from the U.S. has entered North Korea from China carrying a letter to leader Kim Jong-il in order to call attention to the tens of thousands of political prisoners believed held in the communist state, an activist said. Robert Park, a 28-year-old Korean-American missionary from Tucson, Arizona, according to an activist, who works for Pax Koreana, a conservative Seoul-based group that calls for North Korea to improve its human rights record, crossed the frozen Tumen River into North Korea on Christmas Day to urge Kim to release political prisoners and shut down the "concentration camps" where they are held, said the activist, who spoke on condition of

anonymity, citing the issue's sensitivity. "Please open your borders so that we may bring food, provisions, medicine, necessities, and assistance to those who are struggling to survive," said the letter, according to a copy posted on Pax Koreana's Web site. "Please close down all concentration camps and release all political prisoners today." The activist said that Park also carried a second letter addressed to the leaders of South Korea, China, the U.S., Japan and the United Nations separate written appeal calling for Kim to immediately step down, noting alleged starvation, torture and deaths in North Korean political prison camps. It was unclear Saturday if Park was in North Korean custody. Illegal entry into the country is punishable by up to three years in prison. "I am an American citizen. I brought God's love. God loves you and God bless you," Park was quoted by two activists as shouting in Korean as he crossed the North Korean border, according to the activist. He said Park was last seen by the two other activists, who saw him enter North Korea near the northeastern city of Hoeryong from the poorly guarded border late yesterday afternoon. He added that the crossing was videotaped and the footage would be released tomorrow. (Kwang-tae Kim, "Activist: U.S. Missionary Crosses Border into N. Korea," Associated Press, December 26, 2009) Park warned he would make such a journey in a recent interview with Reuters. "I don't want President Obama to come and pay to get me out," Park said. "But I want the North Korean people to be free.... The concentration camps have to be liberated. Until then I do not want to come out. If I have to die with them, I will." (Kurt Achin, "Activist's Incursion into North Korea Creates Dilemma for Rights Groups," VOA, December 28, 2009)

12/28/09 North Korea has banned the use of foreign currency, another sign its hard-line communist government is intent on reasserting control over the country's nascent market economy. Reports say the decree warns of severe punishment for anyone using U.S. dollars, euros, yuan and other non-North Korean currencies. Foreign currencies previously were accepted in some shops, restaurants and other outlets, particularly those catering to foreigners. The order, issued by North Korea's state security bureau and going into effect January 1, aims to "forbid the circulation of foreign currency," China's state-run CCTV said in a brief report late December 30. The Daily NK, a Seoul-based online news outlet, said the order prohibits all individuals and organizations apart from banks from possessing foreign currency. It said the decree was posted in public and at workplaces, and went into effect December 28. (Jean H. Lee, "North Korea Bars Use of Foreign Currency," Associated Press, December 31, 2009)

South Korea said it would provide 26 billion won (22.2 million dollars) for humanitarian projects in North Korea, the second donation this month to its communist neighbor amid easing relations. UnifMin spokesman Chun Hae-Sung said it would donate 15.2 billion won to the World Health Organization's program for malnourished children and 4.7 billion won to the UN Children's Fund UNICEF. Some six billion won has been allocated for a variety of other projects run by private groups. "We decided to assist North Korean infants and children through private and international organizations, after considering the urgent situation in North Korea," he told a briefing. On December 18 the South shipped swine flu medication worth 15 million dollars to the North. It was the first direct aid to Pyongyang from Seoul's conservative government since it took office in February 2008. (AFP, "S. Korea to Give 22 Million Dollars of Aid to North," December 28, 2009)

North Korea has constructed a plant to manufacture uranium hexafluoride, a gas needed for uranium enrichment, according to a previously unpublicized account by Pakistani scientist Abdul Qadeer Khan. He also said that North Korea may have been enriching uranium on a small scale by 2002, with "maybe 3,000 or even more" centrifuges, and that Pakistan helped the country with vital machinery, drawings and technical advice for at least six years. During a visit to North Korea in 1999, he toured a mountain tunnel. There his hosts showed him boxes containing components of three finished nuclear warheads, which he was told could be assembled for use atop missiles within an hour. "While they explained the construction [design of their bombs], they quietly showed me the six boxes" containing split cores for the warheads, as well as "64 ignitors/detonators per bomb packed in 6 separate boxes," Khan said. But Siegfried S. Hecker, a former Los Alamos National Laboratory director who was allowed to see some North Korean plutonium during a visit to its nuclear facilities in January 2004, said after hearing Khan's description of the trip he remains unconvinced that the country in 1999 had enough fissile material on hand to make such weapons. Hecker said Khan may have tried to get himself "off the hook, to say what [he] . . . did was not that bad because these guys already had nuclear weapons. That's a nice way to cover his own tracks." Song Ryol Han, the North Korean ambassador to the United Nations, denied that his country had a uranium program before last spring or that it ever discussed the issue "with Dr. Khan in Pakistan." Song said that "only after last April, when the U.S. hostility entered extremely critical stage" did the country start such a program as a "nuclear deterrence" measure. Pakistan gave North Korea vital equipment and software, and in return North Korea also "taught us how to make Krytrons" -- extremely fast electrical switches that are used in nuclear detonations and are tightly controlled in international commerce. Contradicting Pakistani statements that the government had no involvement in such sensitive transfers, Khan says his assistance was approved by top political and Army officials, including then-Lt. Gen. Khalid Kidwai, who currently oversees Pakistan's atomic arsenal. After gaining the approval of an army chief and after the payment of funds by North Korea, "I asked my people to prepare 20 outdated P-1 machines and gave them. Since they were working in the plant and were familiar with the P-2 machines, they asked for 4 of these too." Khan said Gen. Pervez Musharraf, the chief of the army staff from 1998 to 2007 and president from 2001 to 2008, and "his right-hand men" -- including Kidwai, Khan asserted - "knew everything and were controlling incoming and outgoing consignments." Kidwai heads the group that controls Pakistan's arsenal, estimated by some U.S. government analysts at more than 100 weapons. Several former U.S. officials, after being informed of Khan's statements, said they undermine North Korea's 1994 pledge to work with the United States "for peace and security on a nuclear-free Korean peninsula." "This paints a picture of even more collaboration than I assumed those countries had," said Robert G. Joseph, a prominent critic of the 1994 agreement who served as the principal nonproliferation official at the White House under President George W. Bush from 2001 to 2005 and then as undersecretary of state for arms control. (R. Jeffrey Smith and Joby Warrick, "Pakistani Scientist Depicts More Advanced Nuclear Program in North Korea," *Washington Post*, December 28, 2009, p. A-2)

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North Korea has reused equipment and materials left from the halted construction work on light-water reactors, breaking a prior agreement with a multinational organization that oversaw the botched construction project. According to the Unification Ministry and

other sources, North Korea has taken 190 vehicles from the site in Kumho, South Hamgyong Province, and 93 pieces of heavy equipment, including cranes and excavators, and is likely using them for military purposes. Sources said thousands of tons of steel bars and cement and communication devices are also being used by the North. In 2005, the KEDO's board decided to terminate the construction project, which was about 30 percent complete. In December 2005, North Korea asked KEDO workers to leave the country and said they would not be allowed to repatriate equipment and construction materials. At the time, KEDO and North Korea had agreed to leave materials at the site. Most belonged to South Korean sub-contractors, and they had planned to sell off some of it to make up for financial losses stemming from the halted work. In 2003, after the KEDO first suspended construction, the North said it would not allow the transfer of equipment unless it received compensation. A government official here said, "The North moved the equipment before we could even address the compensation issue, and that's clearly in violation of our agreement. It can even be regarded as stealing." In January 2006, the Roh Moo-hyun administration in Seoul said the North had pledged to store the materials and that it expected the North to honor its word. Despite suspicions that the North had used some of the equipment in preparation for their second nuclear test this year, the current Lee Myung-bak administration has also remained silent. But intelligence sources tell a different story. They said the North started using equipment almost immediately after KEDO's withdrawal and that the North Korean military was involved. "North Korea is trying to keep South Koreans or KEDO officials from going near the construction base," one source said. "Recent satellite photos of the site show that hundreds of the black covers that were used to conceal materials are mostly gone." Sources estimate equipment and materials are worth about 46 billion won (\$39 million). South Korea, one of the founding members of the KEDO, spent \$1.1 billion on the construction project. (Lee Young-jong, "South Materials Likely Reused by North's Military," *JoongAng Ilbo*, December 30, 2009)

12/31/09 President Lee Myung-bak spoke on foreign affairs, national security and unification and said it is insufficient for these areas to engage the new international environment with the "ideas of the past" and called for a change in South Korea's paradigm of thinking. Cheong Wa Dae spokesperson Kim Eun-hye reported that at a 2010 joint briefing with the Ministry of Unification, the Ministry of Foreign Affairs and Trade, and the Ministry of National Defense held at the Korea Institute for Defense Analyses held in Seoul's Dongdaemun District on December 31, President Lee called for a shift in thinking from public officials. Analysts are saying that "ideas of the past" is a reference to the previous Roh administration and not ideas from the first two years of the Lee administration. According to Spokesperson Kim, President Lee had said, "We have undergone many changes in foreign affairs, national security and defense, and I feel very positive about this because we are proceeding with a new paradigm." President Lee also reportedly said, "I believe we are successfully paving the way for advancements in inter-Korean relations." Analysts are interpreting his statement is an indication of Lee's belief that the ministries have done a good job to date, and that he wants them to continue on using the same approach. The content of the three ministries' policy reports were summarized as "maintaining and strengthening the current policy approach." The problem with the situation, according to observers, is that despite the presentation of grandiose mid- to long-term visions, there have been no noticeable signs of plans for breakthroughs in the

current stalemate in inter-Korean relations or the rapidly changing political situation in Northeast Asia. Some analysts say the Unification Ministry's operational plan shows signs of being more intransigent than that implemented in the previous two years. First on its list of nine priority tasks was "a historic shift in the North Korean nuclear issue, indicating that it was effectively going "all in" on that issue. However, no concrete plan has been presented in reference to the possibility of restarting the Mt. Kumkang tourism project, which could provide a realistic starting point for improving inter-Korean relations. Instead of progress in inter-Korean relations and related cooperation efforts, the Unification Ministry has merely reiterated concerns about guaranteeing the certain physical safety of South Korean citizens. In addition, the Unification Ministry has announced an emphasis on "productive humanitarianism" and that it will be releasing funds from the Inter-Korean Cooperation Fund, for "private groups with the appropriate capacity" for the sole purpose of providing aid for disease prevention and emergency aid items. Excluded from funding support are cooperative efforts that had previously been funded to assist in development necessary to strengthen North Koreans' self-sufficiency. Observers say this means the Unification Ministry will be providing only minimal humanitarian aid in 2010 as well. (*Hankyore*, "President Lee's Year-End Address to Ministries Suggests Little Change in North Korea Policy," January 1, 2010)