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Text of joint New Year editorial titled "Bring about a Decisive Turn in the Improvement of the People's Standard of Living and the Building of a Great, Prosperous and Powerful Country by Accelerating the Development of Light Industry Once Again This Year" in *Rodong Sinmun*, *Joson Inmingun* and *Chongnyon Jonwi*: "The last was a decade when we invariably defended the ideas and cause of President Kim Il Sung, a decade full of creations and miracles when **we built a solid springboard for achieving the status of a great, prosperous and powerful country**. In the crucible of the complicated 21st century, our country has always stood in the limelight of the world, at the forefront of anti-imperialist independence. Our service personnel and people, who have written **a heroic epic of victory after victory under the energetic leadership of General Kim Jong Il**, are full of ambition for a brighter future and confidence in sure victory. Last year 2010 was a year of great changes, when miraculous events that provided a picture of a prosperous tomorrow took place one after another. ... **The Conference of the Workers' Party of Korea** that was convened amidst the mounting political enthusiasm of our people and the great interest of the world proved to be a major milestone in the development of our Party eternally into the party of President Kim Il Sung and in the enhancing of its leadership authority to the maximum. **That the fundamental guarantee for carrying forward and accomplishing the cause of the Party, the Juche revolutionary cause, was provided is a great glory for our service personnel and people**. The celebrations held on the highest standard and in a characteristic way greeting the 65th anniversary of the founding of the Party vividly demonstrated in front of the eyes of the world the might of the single-minded unity and invincible military strength that reached a new high. **Notwithstanding the complicated situation**, our public sentiment remained stable on a high level, and the will of the service personnel and people to stoutly follow the long road of revolution under the leadership of the Party grew stronger. There are no party and people in the world as great as ours, which have an ever-victorious history and a highly promising future. In the crucible of the onward march of last year for a

great upsurge, **a road was opened definitely for remarkably improving the people's standard of living at an earlier date. The Party's call for channeling everything into improving the people's standard of living stirred the whole country** and brought about thrilling sounds of victory in all the hard-fought projects for a great upsurge. Under the wise leadership of the Party the projects for modernization were promoted dynamically in the industrial sectors related to the people's living, such as light industry, chemical industry and metal industry, opening a bright prospect of mass-producing the Juche-based steel, fiber and fertilizer. ... **Our drive of last year to build a thriving nation was conducted under extremely tense situation and vicious sanctions of the enemy.** ... This year's general offensive is a continuation of the grand onward march for improving the people's standard of living, and its new, higher stage. **We have already made a big stride in implementing our Party's ambitious strategy for improving the people's standard of living. We are now faced with the urgent task to consolidate and develop the already achieved successes** in order to raise the people's standard of living to the level appropriate to a great, prosperous and powerful country. It is a steadfast stand of our Party that the improvement of the people's standard of living should be regarded as the most important issue, the highest goal of its struggle, and carried through to the end. We should make the whole country reverberate with the echoes of continued innovation and advance, echoes of general offensive, for a bright future, when people will enjoy all kinds of blessings to their hearts' content. **"Bring about a decisive turn in the improvement of the people's standard of living and the building of a great, prosperous and powerful country by accelerating the development of light industry once again this year!"** This is the militant slogan we should uphold in speeding up the onward march for a great upsurge in the New Year. **Light industry is the major front in the general offensive of this year.** ... **The modern light-industry factories, splendid producers of consumer goods serving as models in the new century, all of which our Party built at great cost, are precious assets for the improvement of the people's standard of living.** ... It is our Party's way of work to conduct ideological work more vigorously when the tasks to be tackled are huge and the enemy's moves become more vicious. **The Party organizations at all levels should undertake education in the Juche idea and Songun idea** in a consistent and intensive way to make the ideological position of our style of socialism rock-firm. They should train the Party members and other working people to be stalwart revolutionaries in the Songun era who are possessed of the spirit of defending the leader unto death, the spirit of national self-respect, the spirit of self-reliance and the love of and devotion to the future. They should briskly conduct mass-based cultural and artistic activities that are very appealing and refreshing, and continue to conduct the Three-Revolution Red Flag Movement. **We should further strengthen the militant might of the People's Army as we hold fast to our Party's line of the Songun revolution.** ... **The defense industry is a source of the mightiness of Songun Korea and a reliable guarantee for the improvement of the people's standard of living.** The sector of defense industry should continue to admirably perform its mission as a pacemaker in the campaign to break through the cutting edge and a locomotive that leads the overall economy. ... The new decade of the 21st century is the years of hope, years of reunification and prosperity, when the tragedy of national division must be brought to an end. **Today there is no more vital task than**

national reunification for the Korean people. The stand of attaching importance to the nation, the stand toward independent reunification, is the touchstone by which to distinguish patriotism from treachery. This year we should launch a more determined campaign to improve inter-Korean relations and reunify the country under the slogan, "Let all Koreans in the north, south and abroad join efforts and bring a new phase of independent reunification!" **Confrontation between north and south should be defused as early as possible. The South Korean authorities should scrap the anti-reunification policy of confrontation with the fellow countrymen, which is subjected to unanimous denunciation and rejection at home and abroad, and take the road of respecting and implementing the June 15 Joint Declaration and the October 4 Declaration. They should immediately discontinue the anti-DPRK smear campaign and the crackdown on the patriotic forces aspiring after reunification, which are hindering national reconciliation and unity and which run counter to reunification. The danger of war should be removed and peace safeguarded in the Korean peninsula. If a war breaks out on this land, it will bring nothing but a nuclear holocaust.** The entire nation should rise up as one in the sacred, just and patriotic struggle against war and for defending peace in the Korean peninsula. It is imperative to check the north-targeted war exercises and arms buildup of the bellicose forces at home and abroad that seriously threaten national security and peace. Collaboration with outside forces leads to war and national ruin. The entire nation should never tolerate the criminal moves of pro-US war hawks who stake their fate on foreign forces and drive the situation to the brink of war in collusion with them. **Dialogue and cooperation should be promoted proactively.** Active efforts should be made to create an atmosphere of dialogue and cooperation between north and south by placing the common interests of the nation above anything else. **Free travel of and exchanges between people from all walks of life should be ensured and cooperation projects encouraged, to contribute to improving inter-Korean relations and to achieving reunification.** The North-South Joint Declaration is a banner of independent reunification which all the fellow countrymen should invariably hold high and a milestone of national prosperity. A rosy future will be in store for our nation when all its members in the north, south and abroad hold fast to the declaration and the ideal of By Our Nation Itself, its basic spirit, as the lifeline of the national reunification movement, and thoroughly implement it. The developments last year witnessed in the international arena show that the imperialist high-handedness and arbitrariness cannot make sense any longer and nothing can check the current of the times moving along the road of independence. The DPRK is consistent in its stand and will to achieve peace in Northeast Asia and denuclearization of the whole of the Korean peninsula. We will, in the future, too, strive to develop relations of friendship and cooperation with countries that are friendly towards us and achieve global independence under the ideals of independence, peace and friendship." (KCNA, "Joint New Year REditorial of DPRK Major Newspapers," January 1, 2011)

"Confrontation between north and south should be defused as early as possible," the North said in the editorial jointly released by *Rodong Sinmun*, *Joson Inmingun* and *Chongnyon Jonwi*. "If a war breaks out on this land, it will bring nothing but a nuclear holocaust," it said, arguing that war was averted last year because of "our persevering efforts" and calling for the creation of "an atmosphere of dialogue and cooperation"

this year. "The DPRK is consistent in its stand and will to achieve peace in Northeast Asia and denuclearization of the whole of the Korean peninsula," the North's joint editorial said. Stressing that light industries are the "major front," the North said standards of living for its people should be improved ahead of 2012, the year the leadership has designated as a moment in its history to rise as "a great, prosperous and powerful country." "Next year we will be greeting the centenary of the birth of President Kim Il-sung," the country's founder who passed his power to his son Kim Jong-il upon his death in 1994, the editorial said. "We should launch an all-out, vigorous offensive for a breakthrough to realize the wish of the President to build a prosperous country," it said, calling for a "full-scale offensive" to revive the moribund economy. "Improving the economic management becomes more urgent at the moment, when the national economy is put on the trajectory of revitalization," the editorial said, calling for a boost in the production of "primary consumer goods and other necessities widely used in life." It said, "The sector of light industry should turn out commodities that would be favored by people." (Sam Kim, "N. Korea Calls for Ending Tension with S. Korea, Reviving Economy," Yonhap, January 1, 2011) North Korea's authoritarian regime took a more strident tone against South Korea in its annual New Year's message, always one of its longest statements and a rare routine that gives analysts something to gauge the direction of the reclusive country. The North Korean message indirectly referred to its Nov. 23 attack of Yeonpyeong Island. As it has previously, North Korea blamed South Korea's government and "outside forces," a reference to the South's allies the U.S. and Japan, for inciting the attack with "north-targeted war moves." "The danger of war should be removed and peace safeguarded in the Korean peninsula," the message said. That was stronger language than it used in the 2010 New Year's message, when it said, "The way for improving north-south relations should be opened." By contrast, the 2010 statement didn't use the word "war" in describing the tension with the South. Instead, it called the South's government "vicious" and urged Seoul to "refrain from committing acts that may aggravate the confrontation and tension." Both statements outlined a number of steps the South's government should take to avoid trouble with Pyongyang. It urged Seoul to halt weapons purchases and end its military alliance with the U.S. "Collaboration with outside forces leads to war and national ruin," the 2011 message said. "The entire nation should never tolerate the criminal moves of pro-U.S. war hawks who stake their fate on foreign forces and drive the situation to the brink of war in collusion with them." Olive branch to South Korea 2010: The way for improving the north-south relations should be opened. 2011: Confrontation between north and south should be defused as early as possible. Warning to South Korea 2010: They should refrain from committing acts that may aggravate the confrontation and tension, and take the road of respecting the inter-Korean declarations, promoting north-south dialogue and improving the relations between the two sides. 2011: The south Korean authorities should scrap the anti-reunification policy of confrontation with the fellow countrymen, which is subjected to unanimous denunciation and rejection at home and abroad, and take the road of respecting and implementing the June 15 Joint Declaration and October 4 Declaration. Nuclear disarmament offer 2010: It is the consistent stand of the DPRK to establish a lasting peace system on the Korean Peninsula and make it nuclear-free through dialogue and negotiations. 2011: The DPRK is consistent in its stand and will

to achieve peace in Northeast Asia and denuclearization of the whole of the Korean peninsula. (Evan Ramstad, "Koreas Sharpen Rhetoric," *Wall Street Journal*, January 2, 2011)

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In his New Year's address broadcast live President Lee Myung-bak said. Lee, however, urged the communist regime to show its seriousness about talks through action. "Nuclear weapons and military adventurism must be discarded. The North must work toward peace and cooperation not only with rhetoric but also with deeds," he said. The South Korean president called for other nations to step up efforts to persuade the North to change its course. "It is imperative now more than ever for countries concerned to play a fair and responsible role," he said, apparently referring to the participating countries in the long-stalled six-way nuclear talks. He also stressed that unity is the best tool for national security. The North's provocation has often split the public opinion in the South, which is plagued by ideological rifts. (Lee Chi-dong, "Lee Says Door for Inter-Korean Dialogue Still Open," *Yonhap*, January 3, 2011) Text: "The situation before and after the provocation against Yeonpyeong Island cannot be the same. After the September 11 terrorist attacks, the United States went back to the drawing board to devise new security and national strategies, because the safety and security of its people had come under threat. The shelling of Yeonpyeong Island, also served as an opportunity for us to reflect on our security readiness and overhaul our defense posture. As the safety and security of the Korean people is absolute, there cannot be any delay in establishing security measures. We should stand together as one on the issue of national security. We must not forget that the best possible security measure is a people united. Peace cannot be obtained without a price. We are living with the grave reality that our nation is still divided by Cold War rivalries. We cannot let North Korea covet even an inch of our territory. Any provocation that would pose a threat to our lives and property will not be tolerated. Such provocations will be met with stern, strong responses. We must be equipped with firm deterrence so that the North will not even contemplate another provocation. To this end, I will step up efforts for defense reform. From now on, we need to establish and carry out peace and reunification policies based on solid national security. Taking it a step further, we need to make endeavors to engage our North Korean brethren in the long journey toward freedom and prosperity. The North must come to the realization that nothing can be gained through military adventurism. They cannot speak of peace and solidarity among Korean people while shelling civilians and threatening fellow compatriots with nuclear attacks. North Korea's nuclear weapons development constitutes an enormous threat not only to peace on the Korean Peninsula but the entire world. The international community needs to work together to persuade the North to abandon its nuclear program and start on a path toward common prosperity. It is imperative now more than ever for countries concerned to play a fair and responsible role. North Korea must accommodate the aspiration of all Koreans and the demand of the international community for peace and prosperity. Nuclear weapons and military adventurism must be discarded. The North must work toward peace and cooperation not only with rhetoric but also with deeds. I remind the North that the path toward peace is yet open. The door for dialogue is still open. If the North exhibits sincerity, we have both the will and the plan to drastically enhance economic cooperation together

with the international community." (*Korea Herald*, "Full Text of President Lee's New Year's Speech," January 3, 2011)

Foreign Minister Seiji Maehara is hoping that a security alliance can be struck between Japan and South Korea to counter North Korea, the Maeil Business Newspaper reported. In a New Year's interview with the South Korean economic daily, Maehara said North Korea's military provocations not only threaten the Korean Peninsula but also the stability of all of East Asia. "I hope Japan will form an alliance with South Korea also in the field of security," Maehara was quoted as saying. The paper said an alliance would pave the way for comprehensive bilateral security and military cooperation, including joint military exercises between South Korean troops and the Self-Defense Forces, and crisis response on the Korean Peninsula. Maehara told the paper that he wants to visit South Korea early this year to discuss more security cooperation with his South Korean counterpart, Kim Sung Hwan. (Kyodo, "Maehara Floats Seoul Security Alliance," *Japan Times*, January 3, 2011)

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The U.S. special envoy on North Korea called for "serious negotiations" as a key means of dealing with the communist nation, as talk of resuming six-party nuclear talks with Pyongyang has been gaining pace ahead of a U.S.-China summit. "We are here to consult and coordinate our positions on the way forward in dealing with North Korea," Stephen Bosworth, Washington's special representative for North Korea policy, told reporters after arriving at Incheon International Airport. "We believe that serious negotiations must be at the heart of any strategy for dealing with North Korea, and we look forward to being able to launch those at a reasonably early time," he said. Bosworth said the U.S. and China "share a large number of common interests around the world and in the region and particularly on the Korean Peninsula" and that Washington "will continue to coordinate very closely with the Chinese as we move forward." His discussions in Seoul are expected to focus on fine-tuning the conditions that the North must meet before resuming the nuclear talks. "All five parties are in agreement that inter-Korean dialogue is the starting point for six-party talks," the official said. "Should the conditions for resuming the six-party talks be finalized, we will try to deliver them to North Korea through an inter-Korean dialogue channel." The official also stressed that the nuclear talks can reopen only when the North agrees to put the nuclear issue on the table for inter-Korean dialogue and demonstrates its commitment to denuclearization through concrete action. Pyongyang has so far refused to discuss the nuclear standoff with Seoul, claiming it is a matter between it and the U.S. (Chang Jae-soon and Lee Haye-ah, "Bosworth Calls for 'Serious Negotiations' as Key Strategy to Deal with N. Korea," January 4, 2011) Text: **BOSWORTH:** Good afternoon. I am very pleased to be back in Seoul. We are here to consult and coordinate our positions on the way forward in dealing with North Korea. We believe that serious negotiations must be at the heart of any strategy for dealing with North Korea, and we look forward to being able to launch those at a reasonably early time. That is about all I have to say -- we are here primarily to consult and coordinate. I expect to do more listening than talking on this visit. And I will take one or two questions from you. **Q:** Is there any concern, Ambassador, from the U.S. position, on the strengthening of rhetoric, the harder line coming from the South Korean President? **BOSWORTH:** No. **Q:** Are you coming up with a list of conditions for North

Korea to come back to the Six-Party Talks? **BOSWORTH:** No. I have no conditions in my pocket, no lists in my pocket. **Q:** Is there any indication that you are going to get more cooperation or a different position from the Chinese? **BOSWORTH:** Well, I will let the Chinese speak for themselves on that. I think that by and large we have been working together with them very effectively. That is an important relationship for both countries. I think we share a large number of common interests, around the world and in the region, and particularly on the Korean Peninsula. So we will continue to coordinate very closely with the Chinese as we move forward." (DoS, Ambassador Stephen W. Bosworth, Remarks upon Arrival in Incheon, January 4, 2011)

Seoul is likely to shift course in its diplomatic efforts to stabilize the Korean Peninsula and move toward direct dialogue with the North rather than first seeking a five-party alliance to move into the six-party talks, a diplomatic source told *JoongAng Ilbo*. The government had previously sought agreement from the four other countries in the six-party talks - the U.S., Japan, China and Russia - regarding conditions to resume the diplomatic meetings on North Korea's nuclear disarmament. But the diplomatic source said, "The five parties agree that inter-Korean dialogue should be the starting point for the resumption of six-party talks." The diplomatic source said the government will push forward with a bilateral meeting with North Korea and will suggest what it believes should be the conditions to resume the six-party talks. The conditions, the source said, will likely include the North's commitment to reimplement all the objectives listed in the September 19 declaration made during the fourth round of six-party talks in 2005, which includes the verifiable denuclearization of the Korean Peninsula. Other conditions are likely to include the return of the International Atomic Energy Agency inspectors to North Korea and the suspension of all nuclear development programs in the North, including the uranium enrichment program it recently disclosed to a U.S. scientist, the source said. (Chun Su-jin and Moon Gwang-lip, "Seoul to Seek Direct Dialogue: Source," *JoongAng Ilbo*, January 5, 2011)

Japan is open to direct talks with North Korea this year, its foreign minister said, echoing conciliatory New Year's statements out of Seoul and Pyongyang after a recent flare-up in tensions. "We want to create an environment that will make it possible for us to further strengthen (efforts) to hold direct dialogue this year, and not only in multilateral settings," FM Maehara Seiji said. Maehara said in his first press conference of 2011 that Japan was also open to talks -- both through six-nation denuclearization talks with the Koreas, the United States, China and Russia -- and bilaterally. "We have no diplomatic relations, but as one of the major themes of this year, we should not handle the North Korean issue only on multilateral occasions or six-way talks by relying on other countries," he said. "We have the abduction issue, which is related to Japan's sovereignty," the Japanese foreign minister said. "It is important to create an environment that will allow us to hold talks on the abductions, missiles and nuclear weapons issues between the two countries firmly and directly." Hiraiwa Shunji, professor on North Korean issues at Kwansai Gakuin University in Hyogo, said Maehara's remarks "reflect Japan's readiness to positively work for a resolution of the North Korean issue at a time when the abduction issue is deadlocked." But it does not mean Japan plans to lower the bar... It's too early to say that. Japan cannot tone down before South Korea does. In that context, South Korean President Lee's remarks were a

prerequisite for Japan's open stance to North Korea." (AFP, "Japan Open to Talks with N. Korea: Foreign Minister," January 4, 2011)

Hyundai Group chairwoman Hyun Jeong-eun complained to the U.S. Ambassador in August of 2009 that she encountered more obstacles in South Korea than in North Korea, according to a diplomatic cable revealed by WikiLeaks. The cable dated Aug. 28, 2009 describes a meeting with Ambassador Kathleen Stephens just after Hyun returned from a North Korea trip. Hyun told Stephens that North Korean leader Kim Jong-il, whom she met during her eight-day trip, complained that South Korea's Unification Ministry "had lost the driver's seat" to the Ministry of Foreign Affairs, which Kim said "did not understand" the North. Kim claimed that the main reason behind the chilled relations between Seoul and Pyongyang was a "lack of trust" and asked the Hyun why the Lee Myung-bak administration did not "better utilize" officials from previous South Korean administrations with ample experience in dealing with North Korea. The chairwoman quoted Kim as saying that North Korea's relations with Japan are "far worse than ever before." Hyun told Stephens that she heard other North Korean officials saying that Kim at one time banned Japanese-made cars from the streets of North Korea. He said little about China, other than "not trusting" it. The North Korean leader said he modified the "Arirang" mass calisthenics performance to fit U.S. tastes by getting rid of a portion featuring missiles. He also said the performance was altered to increase its appeal to South Koreans by getting rid of soldiers and adding more students. (*Chosun Ilbo*, "WikiLeaks Reveals Hyundai Chairwoman's Gripes," January 4, 2011)

New Year's opinion polls carried out by different press outlets generally showed President Lee Myung-bak enjoying governance support ratings of over 50 percent. The only rating under 50 percent was found in an SBS survey, which showed a support rate of 48.2 percent. In other polls conducted by Munhwa Broadcasting Company (MBC), the Hankyoreh, Korean Broadcasting System (KBS), and the *Hankook Ilbo*, his rating was above 50 percent, at 53.3 percent, 51.8 percent, 50.9 percent, and 50.1 percent, respectively. This marks a substantial rise from his previous ratings, which hovered in the mid 40 percent range. (Ahn Chang-hyun, "President's Approval Ratings Rise above 50 Percent," *Hankyore*, January 4, 2011)

In 2010 Kim Jong-il conducted the highest number of public activities since taking over from his father in 1994. He appeared in the North's official media 161 times, the Unification Ministry said, compared to 97 times in 2008 and 159 times in 2009. (Yonhap, "North Korean Leader Most Active in 2010 Despite Health Woes," *Vantage Point*, February 2011, pp. 26-27)

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South Korea and the United States agreed that North Korea should demonstrate its denuclearization commitment and improve relations with Seoul if international nuclear talks are to reopen, a senior official said. Stephen Bosworth, Washington's special envoy on North Korea, and Seoul's chief nuclear negotiator Wi Sung-lac also agreed that the international community should censure the North for its newly acknowledged uranium enrichment program, the official said. "The South and the U.S. shared an understanding that future six-party talks should not be talks for talks' sake and, more

than anything else, that the North should show sincerity about denuclearization," the official told reporters. "Both sides shared the consensus that North Korea's uranium enrichment activity is a violation of" a series of U.N. resolutions and other agreements that deserves a "stern response from the international community," he said, adding that the new nuclear program is a cause for serious concern in Washington. Improvement in inter-Korean relations is also a prerequisite for six-party talks, he said. State Department spokesman Philip Crowley reiterated the demand. "We do want to see specific things from North Korea, including a reduction of tension between North and South, an end to provocations and a seriousness of purpose with respect to" a 2005 disarmament-for-aid deal, he said. "We have to be assured that dialogue would be constructive. We don't just want to have talks for talks' sake." Foreign Minister Kim Sung-hwan also said the ball is in North Korea's court. "It is up to North Korea's attitude whether it will choose a dead-end path to confrontation and enmity or a path to peace and prosperity," Kim said in a speech at the Korean Council on Foreign Relations. "Six-party talks are a useful tool, but in order to achieve substantial progress through this, the right atmosphere should be created, including inter-Korean dialogue." (Chang Jae-soon and Lee Haye-ah, "S. Korea, U.S. Reaffirm Onus Is on N. Korea before Six-Party Talks," Yonhap, January 5, 2011)

Japan and South Korea are considering signing a joint declaration as early as this spring to establish bilateral security cooperation, including peacetime links between the Self-Defense Forces and the South Korean military. The two governments are currently arranging a state visit to Japan by South Korean President Lee Myung Bak in the first half of this year. A trip had been scheduled for late last year, but was postponed primarily due to the tense situation after North Korea's artillery attack on Yeonpyeong Island in late November, the sources said. The two countries reportedly hope to sign the joint declaration during Lee's visit. The declaration will emphasize the need for settling issues related to the colonial era and the importance of a future-oriented partnership between the two nations, based on a statement by Prime Minister Kan Naoto in August, the 100th anniversary of Japan's annexation of Korea, the sources said. The declaration also will propose a comprehensive accord encouraging bilateral exchange in the political, economic, cultural and security fields, they said. Cooperation in the security field will be particularly emphasized in the declaration, stressing the importance of strong ties in due to the unstable situation in North Korea, international terrorism and global peacekeeping activities, they said. The declaration will reportedly call for concluding two bilateral pacts on defense matters: -- An Acquisition and Cross-Servicing Agreement (ACSA) allowing reciprocal provision of supplies and administrative services between the SDF and the South Korean military during overseas missions such as U.N. peacekeeping activities and disaster relief efforts. -- General Security of Military Information Agreement (GSOMIA) setting out rules to prevent confidential military information shared between the two countries from being compromised. To lay groundwork for the pacts, Defense Minister Toshimi Kitazawa will visit South Korea on January 10 to meet with his South Korean counterpart Kim Kwan Jin, the sources said. A Japan-South Korea ACSA would be Japan's third, following an accord concluded with the United States in 1996 and with Australia last year. (*Yomiuri Shimbun*, "Japan, ROK Said Eyeing Defense Ties," January 5, 2011) According to a South Korean Defense Ministry official, the United States has

signed similar agreements with both Korea and Japan. Both Korea and Japan "feel that such an agreement is needed" between them, the official said. "If this agreement is reached, both countries would possess the institutional foundation to share information on North Korea's nuclear program or its weapons of mass destruction," the source said.

Korea has agreements or memorandums of understanding to share military intelligence with 21 other countries, including the United States, Canada, Israel, New Zealand, Australia, Turkey and Thailand. Japan was excluded for fear of negative public sentiment stemming from Japan's colonial rule of the Korean Peninsula from 1910 to 1945.

Kitazawa said during a New Year's address that Japan would work closely with neighboring countries including South Korea to strengthen military ties, calling cooperation "essential." However, the Korean government is cautious on moving forward too quickly. The Defense Ministry source said that though talks will be held during Kitazawa's visit, they will not necessarily guarantee that agreements will be reached within the year. "This is just the beginning of discussions," said the official, who added that it was too early to discuss joint military drills between Korea and Japan "because there is a need to take public sentiment into consideration." Meanwhile, a MOFAT official said that Korea could take part in joint security cooperation with other countries, including Japan, but said it is "difficult to discuss military cooperation with Japan right now." "We do not use the word 'alliance' between Korea and Japan," said another Korean government official who asked not to be named, "because it is difficult to see that relations between the two countries have been settled regarding our past history and public opinion. Japan also knows this very well. However, Japan is a country that shares values with Korea and it is hoping, long-term, to increase cooperation in military exchanges," he said. "There have been steady developments in that sense between the two countries." (Christine Kim, "Military Links with Japan on the Table," *JoongAng Ilbo*, January 5, 2011)

DPRK government, political parties and organizations joint statement: "1. We courteously propose having wide-ranging **dialogue and negotiations with the political parties and organizations of south Korea including its authorities**. It is the review of the past three years that the issue of inter-Korean relations can never be solved by confrontation but it only sparks off an armed clash and war. In order to mend the north-south relations now at the lowest ebb we will conduct positive dialogue and negotiations with the political parties and organizations of south Korea including its authorities, be they authorities or civilians, ruling parties or opposition parties, progressives or conservatives. **We call for an unconditional and early opening of talks between the authorities having real power and responsibility**, in particular. 2. **We are ready to meet anyone anytime and anywhere, letting bygones be bygones**, if he or she is willing to go hands in hands with us. For the great cause of the nation present is more important than yesterday and tomorrow is dearer than present. The danger of war will be defused and the day of peace, reunification and prosperity be brought earlier when all Koreans assert in concert and pool their wisdom and efforts. 3. We will discuss and solve all the issues related to the important matters of the nation including **detente, peace, reconciliation, unity and cooperation** at dialogue, negotiations and contacts. The north and the south are called upon to

sincerely approach the discussion on the issues related to the important issues of the nation irrespective of partisan interests and strategy and isms and make positive efforts to seek agreed points to the maximum. 4. As an immediate offer, **we propose discontinuing to heap slanders and calumnies on each other and refraining from any act of provoking each other** in order to create an atmosphere of improving the inter-Korean relations. Dialogue and negotiations cannot be properly conducted nor can they make smooth progress even if the north and south sit at the negotiating table when mud-slinging and provocative acts against each other are allowed. We call on the north and the south to refrain from now from the smear campaign and provocative act of deepening misunderstanding and distrust and inciting confrontation and hostility. Consistent is our stand **to improve the inter-Korean relations, promote national reconciliation and unity and open a landmark phase of peace and reunification** on the Korean Peninsula through dialogue and negotiations. The government, political parties and organizations of the DPRK express expectation that the authorities, political parties and organizations of south Korea will positively respond to their sincere proposal and appeal for weathering the crisis on the peninsula and between the north and the south. They also call on all the Koreans at home and abroad, all governments, political parties and organizations in the world, international organizations and progressive people that love justice, truth and peace to extend warm support and solidarity to them." (KCNA, "DPRK Releases Joint Statement on Peace and Reunification," January 5, 2010)

South Korea's Unification Ministry immediately rebuffed the overtures late today. "We don't consider it as a sincere offer of dialogue," ministry spokeswoman Lee Jong-joo said. North Korea first must apologize for the two attacks and take "sincere" steps toward nuclear disarmament, she said. (Hyung-jin Kim, "North Korea Calls for Unconditional Talks with the South," Associated Press, January 5, 2011)

The North Korean military and ruling party are known to encourage small-scale border trade with China in what appears to be an effort to secure foreign currency. Radio Free Asia reported that the number of trading companies near the border with China has rapidly increased, quoting an anonymous North Korean trade source, "Since last November, I was told to open up a trading company. After the currency reform last year, the companies that had ceased to operate, were again allowed to trade independently with China." (Kim Se-jeong, "N. Korea Encourages Small-Scale Border Trade," *Korea Times*, January 5, 2011)

DoS Daily Briefing: "**Q:** P.J., on the lunch, what exactly did Secretary Clinton have to say and what exactly did Foreign Minister Yang have to say about this apparent North Korean offer for unconditional talks with the South? **CROWLEY:** Well, it came up briefly. And again, understand that the context behind the discussions at lunch were about the issues that will undoubtedly come up in the meeting between President Hu Jintao and President Obama. The United States and China share the same goal of stability in the region. **Both sides affirm that we want to see North Korea meet its obligations under the 2005 joint statement.** There's absolutely total agreement on those key issues. Both sides affirmed that we are open to dialogue. We understand the importance of dialogue between North and South Korea. We understand the value

and affirm the importance of getting back to serious negotiations within the context of the Six-Party Talks. What we conveyed to Foreign Minister Yang was that it was important to understand the ongoing context behind our joint efforts. And in the South Korean comments today in response to an offer by - for unconditional talks by North Korea, it's not surprising to us that South Korea's response is we want to make sure that there is a true exhibition of sincerity in the prospect of potential talks. So from our standpoint, **we reaffirmed that we're open to dialogue but there are definitely things that North Korea has to do to signal that there is a true seriousness of purpose before we commit to these negotiations.** **Q:** So you don't think that an offer for unconditional talks is a sign of seriousness of purpose? **CROWLEY:** Well, Ambassador Bosworth was in Seoul today. He had direct discussions with our South Korean colleagues. He'll be in Beijing tomorrow for similar discussions with Chinese officials. As we've stressed, North Korea needs to demonstrate that it is prepared to have serious and sustained discussions. It needs to show that it is sincere with this offer. That is something it needs to demonstrate to South Korea as well as to others within this process. We are open to dialogue. **We want to see - want to make sure that North Korea takes appropriate steps so that we are assured that dialogue, if and when it happens, is constructive.** **Q:** But what more than putting out an offer for unconditional talks can they do? **CROWLEY:** Well, South Korea, I think, made clear that it needs to have confidence that North Korea's offer of dialogue is paired with the commitment to avoid further provocations. **Q:** You have suggestions? **CROWLEY:** I mean, understand from the South Korean standpoint there have been, within the last year, the sinking of the *Cheonan*, the unwarranted shelling of South Korean territory, and these are the realities on the ground in South Korea. And we believe that South Korea, like the United States, is open to dialogue but want to be sure that North Korea is going to come to either a bilateral dialogue or potentially to a multilateral dialogue with a true seriousness of purpose. **Q:** From your account, it makes it sound as though the Secretary was explaining to the foreign minister why the U.S. would not be willing to take the North Koreans up on their offer. Is that roughly what happened? Did the foreign minister say that Beijing thinks this is a good idea and urge the United States to take it up, and she said no and here's why? **Q:** Well, (inaudible). **I'm talking about the North Korean offer to the South Koreans.** **CROWLEY:** Yes, correct. No, that - it briefly - there was a mention during the discussion of both the North Korean offer and the South Korean response. I think - and China - Foreign Minister Yang, Secretary Clinton, joined by Deputy Secretary Steinberg, went through our current thinking and we stressed that there has to be the appropriate context to be able to move forward either with bilateral dialogue or with multilateral dialogue. We're open to it, but definitely there are still things that North Korea has to do to demonstrate a seriousness of purpose. **Q:** Does that mean moving troops away from the border? Does it mean actually sending someone to Beijing and say here I am in the hotel room, let's actually start a discussion? I mean, how - I mean, it's nice to say we want to see concrete steps, but what are they? **CROWLEY:** Well, again, within the last few weeks, you've seen a shelling of South Korean territory, which resulted in the loss of both civilian and military lives. North Korea has yet to take any responsibility for that unprovoked act. North Korea, to this day, has not accepted any responsibility for the sinking of the *Cheonan*. So there are - we all understand that ultimately to resolve the challenge of North Korea there has to be dialogue. We're open to dialogue. But it's not just for North Korea to

say okay, fine, we'll come talk. There has to be an appropriate context and there are things that North Korea has to show both South Korea and the United States that it is prepared to have a sustained and constructive dialogue. And committing itself that there will be no further provocations certainly would be one step. Demonstrating that it is prepared to move forward on its commitments under the 2005 joint statement would be another step. **Q:** But, P.J., China's foreign minister must be knowing what North Koreans want. What role you think China and U.S. will play? And also as far as - yeah, that's fine. (Laughter.) ... **CROWLEY:** Well, again, going back to what I said a moment ago, there is no difference between our interests on the Korean Peninsula and China's interests in the Korean Peninsula. We both stressed the importance of stability. We both want to see a reduction of tension. Neither one of us wants to see the emergence of a North Korea that is a nuclear state. We all want to see North Korea follow through on its commitments to denuclearize. So we had a discussion today about how the upcoming visit and discussion between the President and President Hu Jintao, together with our respective teams, can chart the best way forward to ease tensions on the peninsula, get North Korea to be a more constructive player in the region, and take those - the kinds of steps that convince all of us that dialogue will be useful. **Q:** P.J., I understand you don't have a list, a specific list in your pocket, so to speak, but would you say based on Bosworth's trip that this is sort of phase one of this - of coming back to the table would be how South Korea engages with North Korea? **CROWLEY:** Boy, I'm not sure that phasing is necessarily -- **Q:** It seems like you're trying to reach a consensus with your allies in the region on how to best go forward with South Korea to reengage with the North. That seems like what's going on. **CROWLEY:** Well, I mean, no one wants to see further provocations. No one wants to see additional tensions. We all want to move in a different direction. North Korea has the fundamental responsibilities here in terms of how it acts and clearly demonstrate that it's willing to address and take action on the commitments that it has previously made. North Korea has to meet its obligations under UN Security Council resolutions. We are prepared to respond to that. We are prepared to have dialogue that is based on a conviction that North Korea is willing to be constructive and to follow through. ... **Q:** I'm sorry, just to follow up. Would you say that one of the main things you've been discussing with other players in the region is how South Korea will be engaging North Korea in the future? Isn't that a huge piece of how you deal with the situation? **CROWLEY:** Inter-Korean dialogue is a very important element of this. So **we would like to see dialogue between North and South Korea.** We are open to a resumption of Six-Party negotiations. But there's - there are things that have to occur to make - to convince us that that will be productive. Should North Korea demonstrate that seriousness of purpose, we will respond accordingly. ... **Q:** P.J., one more on North Korea. Do you think Minister Yang agreed to what Secretary Clinton described about North Korea? What was his reaction? **CROWLEY:** Well, again, we do share the same interests, we have the same concerns. And it was a very detailed discussion on both sharing insights - obviously, China has had dialogue with North Korea, and Foreign Minister Yang gave us a sense of his reading of what's happening in Pyongyang, and the Secretary reciprocated with - along with Deputy Secretary Steinberg in terms of the results so far of Ambassador Bosworth's discussions in Seoul. Foreign Minister Yang made clear that China was looking forward to the visit tomorrow by Ambassador Bosworth to Beijing, and we - they both see the upcoming visit - clearly, North Korea will be one among

many issues discussed between the presidents. ...**Q:** You said repeatedly over the past couple of weeks that there is no list. And I don't want to get back into that whole thing, but it seems to me that in one of your earlier previous answers today you outlined four specific things that you want to see. And if I'm correct - and I think I am - it's one, a promise not to make any further provocations; two, recommitting to the 2005 - its 2005 commitments and UN obligations; three, taking responsibility for the *Cheonan* sinking; and four, taking responsibility for the shelling of the island. Is that - are those four things a good place to start - or five things? **CROWLEY:** We don't - I mean, I can't say it better than Ambassador Bosworth. He said he didn't have a list in his pocket. ...**Q:** But you've mentioned those specific things -- ...**CROWLEY:** There are clearly steps that North Korea has to take that will demonstrate to us that there is the kind of seriousness that would convince us that dialogue would be constructive." ((DoS Daily Briefing, Assistant SecState Philip J.Crowley, January 5, 2010)

1/6/11

On the heels of a North Korean plea for negotiations to end the crisis on the Korean Peninsula, Obama administration envoys central to stalled six-party talks met with their Chinese counterparts, and one said he was hopeful that serious talks on North Korea would begin soon. The comment, by Stephen W. Bosworth, the special representative for North Korea policy, underscores a shift in the American approach to North Korea, away from two years of what the administration called "strategic patience" marked by steadfast refusal to engage with the North. With China's president, Hu Jintao, scheduled to visit Washington in two weeks, the United States is trying to choreograph a resumption of six-party. The United States has begun pressing the North to back up its newly conciliatory words with proof that it has abandoned its recent bellicose behavior. At the same time, it is nudging a deeply suspicious South to be receptive to the North's overture. Bosworth and Sung Kim, the United States envoy to the suspended six-party talks, met in Beijing with Vice Foreign Minister Zhang Zhijun and Wu Dawei, China's representative to the talks, as well as Wang Jiarui, a senior foreign affairs official in the Communist Party. The Americans' next stop is Japan. (Michael Wines and Mark Landler, "U.S. Shifts toward Talks on N. Korea," *New York Times*, January 7, 2011, p. A-6)

1/7/11

South Korea on repatriated three North Korean fishermen who had drifted on a boat across the countries' tense western sea border last month, an official said. The fishermen were rescued by the South Korean Navy on December 3 near the island of Yeonpyeong in the Yellow Sea, Unification Ministry spokesman Chun Hae-sung said in a briefing. Another North Korean civilian remains under questioning in the South after he drifted across the Yellow Sea border on a boat on Christmas Day. Chun would not say whether he also wanted to return home. (Yonhap, "S. Korea Repatriates 3 N. Koreans Who Strayed across Sea Border," January 7, 2011)

According to a yearly report from the Korea Institute for National Unification, there could be conflict and a scramble for power among the North's elite in 2011 if Kim Jong-il steps down or dies. Kim Jong-il's third son, Kim Jong-un, sensing a threat to his future leadership, could act to stabilize his ascension this year by taking powerful roles in the Politburo of the Workers' Party and the National Defense Commission, the report said.

There is also a strong chance he could order that those who stand in his way be eliminated. The report said that North Korea's biggest goal for this year would be to ensure Kim Jong-un's ascension to power, which could mean another attack on the South. "Kim Jong-un's status within the government is not firm ... there is a chance he will order another military provocation like the Yeonpyeong Island shelling, thinking that the only way to show 'excellent competence' is through military recklessness," it said. (Christine Kim, "North's Succession Will Be Rocky," *JoongAng Ilbo*, January 7, 2011)

National Security Council Senior Director for Asia Jeffrey Bader, who is in charge of formulating policies toward Asia including the Korean Peninsula, will likely leave his post at the NSC "weeks or months from now" after the U.S.-China summit on January 19, *Foreign Policy* magazine reported. Replacement candidates mentioned are Daniel Russel, director for Asian affairs at the NSC, and Michael Schiffer, deputy assistant secretary of defense for East Asia. Joseph Donovan, a deputy assistant secretary of state, is being considered to replace Ambassador to South Korea Kathleen Stephens, *Foreign Policy* added. Stephens is in an awkward situation due to WikiLeaks' recent disclosure of her diplomatic cables. (*Chosun Ilbo*, "U.S. to Replace Senior Asia Hands," January 7, 2011)

1/8/11 "We formally propose an unconditional and early opening of the talks between the authorities of the North and the South," the North's Committee for the Peaceful Reunification of the Fatherland (KPRF) said in a statement. The committee said the date, venue and level of official dialogue between the governments of the two Koreas may be decided under a bilateral agreement. The North Korean committee also proposed holding Red Cross talks in the North's border town of Kaesong "at the end of January or in the first half of February" to discuss the resumption of tours to a South Korea-built resort in the North's Mount Kumgang, a valuable source of income for the impoverished North. "The closed Panmunjom North-South Red Cross passage should be reopened and the freezing of the Consultative Office for North-South Economic Cooperation in the Kaesong Industrial Zone be lifted as a measure of good faith for opening the channel of dialogue and improving the North-South relations," said the statement carried by KCNA. South Korea's Unification Ministry, in charge of North Korean affairs, again raised questions about the intentions behind Pyongyang's proposal Saturday. "We are checking whether North Korea has sent official messages to our government or the military," said an official from the ministry. "Without these, the KPRF's proposal is not an official dialogue offer, just a unilateral announcement." He said the statement was similar to a New Year's message released on January 5. "The Panmunjom Red Cross liaison representatives of the North side will soon begin their work and those concerned of the North side will be dispatched to the above-said office to be permanently stationed there," the state committee. It said there was no condition for the proposed resumption of dialogue and no "need to cast any doubt about its real intention." (Yonhap, "N. Korea Proposes Inter-Korean Dialogue in Early Future," January 8, 2011)

1/9/11 A senior South Korean official said that any future bilateral talks with North Korea should include nuclear issues as well as its recent attacks on South Korea. "We've

considered putting the nuclear issue on the agenda of inter-Korean talks for a long time," the official said. "To stop the North's nuclear development, the issue has to be discussed bilaterally. Other members of the six-party talks have agreed that the two Koreas should deal with the matter." The South Korean official said both the Yeonpyeong incident and the sinking of the frigate Cheonan should be discussed when Seoul and Pyongyang meet for bilateral dialogue. (Kim Se-jeong, "North Urged to Discuss Nuclear Issue with South," *Korea Times*, January 9, 2011)

1/10/11

KCNA: "The Korea Asia-Pacific Peace Committee, the chairman of the Central Committee of the DPRK Red Cross Society and the chief of the north side to the Consultative Office for North-South Economic Cooperation separately sent notices to the Ministry of Unification of the south side, the president of the south Korean Red Cross and the chief of the south side to the Consultative Office for North-South Economic Cooperation on Monday. They formally informed them of the practical measures as clarified in the important proposal set forth in the recent joint statement of the DPRK government, political parties and organizations and the statement issued by a spokesman for the Committee for the Peaceful Reunification of Korea as regards the measures for putting it into practice. They proposed having a working contact for talks between the authorities of the north and the south in Kaesong on January 27 and talks between the Red Cross organizations of the north and the south in Munsan, the area of the south side, on February 1. They informed them that the Panmunjom Red Cross liaison channel would be reopened from January 12 and the above-said office would be regularly operated." (KCNA, "North Side Sends Notices to South Side," January 10, 2011)

The South Korean and Japanese defense chiefs have built a common understanding on working toward a military cooperation agreement, officials in Seoul said, which would be the first between the countries since Tokyo's brutal occupation of Korea in the early 20th century. The prospect of signing the pact brightened during hour-long talks in Seoul between Defense Minister Kim Kwan-jin and his Japanese counterpart Kitazawa Toshimi earlier in the day, officials said. Called the "Acquisition and Cross-Servicing Agreement (ACSA)," the accord aims at allowing South Korean and Japanese armed forces to share supplies and services such as food, fuel and transportation during international operations like peacekeeping and disaster relief efforts. "Regarding the agreement for sharing bilateral military supplies and services, the two nations agreed to hold specific consultations toward signing it," said a senior official at Seoul's defense ministry. Kim and Kitazawa also agreed to hold further consultations on signing another pact to facilitate exchanging military secrets, the official said. The "General Security of Military Information Agreement (GSOMIA)," if signed, will allow South Korea and Japan to systematically exchange intelligence on North Korea's nuclear programs and weapons of mass destruction, according to the official. (Kim Deok-hyun, "S. Korea, Japan Build Common Understanding on Military Pact," *Yonhap*, January 10, 2011)

1/11/11

North Korea's development of nuclear weapons and long-range missiles poses a direct threat to the United States, Defense Secretary Robert Gates said, a blunt assessment of the risk posed by an erratic dictatorship that considers the U.S. its foremost enemy.

North Korea will have a limited ability to deliver a weapon to U.S. shores within five years using intercontinental ballistic missiles, Gates predicted. North Korea has threatened to test such missiles, and has already conducted underground nuclear tests that prove it has manufactured at least rudimentary nuclear weapons. "With the North Koreans' continuing development of nuclear weapons and their development of intercontinental ballistic missiles, North Korea is becoming a direct threat to the United States, and we have to take that into account," Gates said. The risk of war on the Korean Peninsula is also rising because South Koreans are fed up with provocation and harassment from the North, Gates said. **"We consider this a situation of real concern and we think there is some urgency to proceeding down the track of negotiations and engagement,"** he said. The South's "tolerance for not responding" is nearly gone, Gates told reporters in China. "Clearly, if there is another provocation there will be pressure on the ... South Korean government to react," Gates said. Gates said he wants to see North Korea take specific steps, such as a moratorium on nuclear and missile tests, to show that it is serious about disarmament talks. Gates said he wants to make sure North Korea is not rewarded for brinksmanship. He said the North has a pattern of bargaining by provoking a crisis, "and then everybody scrambles diplomatically to try and put Humpty Dumpty back together again. I don't want to buy the same horse twice." Gates said he thanked Chinese President Hu Jintao and others he saw here for reining in North Korea, and asked China to keep leaning on the fellow communist state. Gates is in China in part to broaden military cooperation between China and the U.S. On the second date of Gates' visit, China conducted its first known test flight of its new stealth fighter plane. The test was apparently intended to send the message that Beijing is responding to calls from the U.S. and others to be more transparent about its defense modernization and future intentions. South Korea's Unification Ministry has rejected the North's latest offer as an attempt to win economic aid. "If the South Korean authorities sincerely want the improvement of North-South relations, they should clear away useless doubt and open the door of their minds and actively respond to our proposal for dialogue and goodwill measures," Min Kum Song, a North Korean official, told Associated Press Television News in Pyongyang. (Anne Gearan, "Gates: North Korea Will Pose Direct Threat to U.S.," Associated Press, January 11, 2011)

Gates: "As with each of my meetings, we spent some time on North Korea and the importance of some concrete measures on the part of the North Koreans to demonstrate they're serious about proceeding with negotiations and exchanges. I discussed with both the idea of the strategic security dialogue. It was clear from President Hu that they're taking the proposal seriously. I think they're trying to work their way through how it would relate to the other mechanisms of dialogue that we have in the military and security arena and what the agenda would be. ...**Q:** The North Korea question. Could you talk a little bit more about what you asked -- what you discussed with the president on that? What would you like to see as further steps that China could help in -- what sort of concrete things do you want them to see to sort of ratchet down North Korea's behavior? What more -- could you illuminate that a little bit more? **GATES:** Well, first of all, in every one of my meetings I said that the U.S. government recognizes and appreciates the constructive role that the Chinese have played over the last several months in dampening tensions on the Korean Peninsula.

They clearly have played a helpful role. And one of my messages was that there are two things that have changed the status quo on the Peninsula in a worrying way -- one of them in a worrying way. At least one. **The first is, with the North Koreans' continuing development of nuclear weapons, and their development of intercontinental ballistic missiles, North Korea is becoming a direct threat to the United States**, and we have to take that into account. **And the second is clearly a sea change in the attitude of the South Korean public in their willingness to tolerate the kind of provocations the North Koreans have engaged in for many years**, but with two just this past year -- the Cheonan and the artillery shelling -- that their tolerance for not responding has changed. And clearly if there is another provocation, there will be pressure on the South Korean government to react. **We consider this a situation of real concern and we think there is some urgency to proceeding down the track of negotiations and engagement, but we don't want to see the situation that we've seen so many times before, which is the North Koreans engage in a provocation and then everybody scrambles diplomatically to try and put Humpty-Dumpty back together again. And I've used the phrase several years ago in this job: I don't want to buy the same horse twice.** And so **what I think we would like to see are some concrete actions by North Korea that show that they're serious about moving to a negotiation and an engagement track.** And that was some of the content of what I had said. ... **Q:** My question is about North Korea. You just mentioned about the negotiation. How do you think North Korea is -- (inaudible) -- to South Korea about improvement of -- (inaudible)? Do you evaluate those kinds of actions like North Korea, and what kind of -- (inaudible) -- with North Korea. In detail -- (inaudible)? **GATES:** Well, **first of all, rhetoric is not enough at this point. I think there need to be to concrete actions by the North to demonstrate that they're truly serious about negotiation and engagement at this point.** **Q:** Could you give an example or two of what they could do? **GATES:** Well, they could have a **moratorium on missile testing, a moratorium on nuclear testing.** There are several areas where they could take concrete actions. **Q:** Are you asking the Chinese to lobby them on those particular fronts? **GATES:** No, I just described to them -- the purpose of my conversations here was simply to identify for my hosts our concerns and the need for us to continue working together. **I didn't make any specific requests of the Chinese.** ... **Q:** Clarification. On North Korea, were you saying that the think that North Korea will be a threat to the United States within five years? And if so, what needs to change? What needs to happen in the five years? **GATES:** I think that -- let me be precise. **I think that North Korea will have developed an intercontinental ballistic missile within that timeframe, not that they will have huge numbers or anything like that,** but they will have -- I believe they will have a very limited capability. **Q:** And what needs to happen then to respond to that? **GATES:** That's what we're talking about in terms of -- **that's what all this discussion has been about North Korea; how do we put North Korea on a different path?** (DoD, Secretary of Defense Robert M. Gates, Media Roundtable from Beijing, January 11, 2011)

Any future inter-Korean dialogue should serve as a venue for North Korea to affirm its commitment to denuclearization, a senior South Korean official said, dismissing the North's recent offers of dialogue as falsely motivated. "North Korea's sincerity toward denuclearization should be confirmed in inter-Korean talks as well," Unification

Minister Hyun In-taek told reporters on the sidelines of a public conference. Refusing to differentiate humanitarian from political talks, Hyun said the North should also make moves that show its penitence for the series of provocative acts blamed on it. "North Korea should show its commitment and will toward denuclearization along with responsible measures over the string of provocations" that include the March 26 sinking of a South Korean warship and the November 23 shelling of a South Korean island, he said. (Sam Kim, "N. Korea Should Affirm Denuclearization Commitment in Talks with S. Korea: Minister," Yonhap, January 11, 2011)

UnifMin spokesman: "North Korea caused a great sacrifice of South Korean people with a series of provocative actions including a shooting of a tourist at Mt. Geumgang, a torpedo attack of Cheonan Corvette, and shelling of Yeonpyong Island. However, the North did not accept its responsibility and unilaterally proposes talks to gain economic support and aid. □ South Korea sees the proposal as a disguised peaceful offer to the international community and one of its conventional tactics to divide South Korea. The north has shown similar behaviors for dozen times to turn the situation to its own advantage. □ To have genuine inter-Korean talks, 1) the North must promise responsible measures for Cheonan Corvette sinking and artillery attack on Yeonpyong Island and show a commitment to prevent additional provocative actions. 2 the South needs to confirm the North's sincerity for denuclearization and proposes inter-Korean working-level government meeting. □ To have discussions on pending issues suggested by the North, South Korean government believes the two issues mentioned above must be resolved through inter-Korean working-level dialogue." (ROK Ministry of Unification Spokesperson's Comments on North Korea's Proposal for Talks," January 11, 2011)

North Korea said its deadly shelling of a South Korean island could have been avoided if the United States and other countries had agreed last year to discuss a peace treaty, calling again for such talks. "If they had accepted our suggestion, we would not have attacked Yeonpyeong," *Rodong Shinmun* said in an editorial. On January 11 last year, the North proposed talks with the United States to reach a formal peace treaty to end the 1950-53 Korean War, indicating it was a precondition for restarting the stalled multilateral denuclearization talks. "We maintain the stance that a peace system must be established on the Korean Peninsula," the editorial said. "We need to build trust with the United States to ensure peace on the peninsula, and to do that, we need to establish a peace treaty to end the state of war." (Kim Young-jin, "N.K. Blames Shelling on Lack of Peace Treaty," January 11, 2011)

The late North Korean leader Kim Il-sung proposed secret negotiations with Washington ahead of the assassination of then South Korean first lady Yuk Young-soo in 1974, according to a classified document dated June 6, 1974 from the U.S. Embassy in Senegal. The revelation came after An Chi-yong, a former journalist based in the United States, posted the confidential dossier, classified as "secret," on his website "Secrets of Korea." It reveals that the North's founder, father of current leader Kim Jong-il, asked the late Senegalese President Leopold Senghor to deliver a secret message to the U.S. in 1974. "President Senghor informed me on June 5 that during his recent visit to Pyongyang, Kim Il-sung charged him with a message for the United States government," according to the dossier. "Kim Il-sung said the DPRK (North

Korea) would welcome secret negotiations with the USG (U.S. government) on the future of Korea." The suggestion was made two months before the assassination of the first lady on Aug. 15, 1974. Yuk was shot by a Japan-born Korean believed to be a communist sympathizer and having acted upon orders from a pro-Pyongyang organization there. The dossier also offers a glimpse of Kim Il-sung's attitude toward Washington and Tokyo and his thoughts on the unification of the two Koreas. "The North Korean leader told Senghor he felt the DPRK's enemy in the Pacific is Japan, not us," the document stated. "What North Korea seeks is a confederation, not suppression of South Korea, and within that confederation, there would be a place for U.S. influence in the South." Another U.S. government document that cites a *New York Times* article by Richard Halloran reveals that Kim Il-sung may have sought a similar favor from the late Japanese Prime Minister Takeo Miki before the 1974 assassination. "Halloran (NYT 8/10) says Kim Il-sung informed President Ford through Prime Minister Miki he wants to open direct talks with us to settle outstanding issues of Korea," according to the dossier dated Aug. 11, 1975. "Wants us to send envoy to prepare agenda for talks with HAK [Henry A. Kissinger] on U.S. troop withdrawal, peace treaty to replace 1953 truce." A declassified U.S. document shows that Pyongyang continued its efforts to have dialogue with the U.S. even after the tragic assassination took place. It says on Aug. 27 1974 an aide to then Romanian President Nicolae Ceausescu met with then U.S. President Ford at the White House to deliver a message from Kim Il-sung. "The North Korean leadership wants to have confidential contact with the United States for discussions," according to the declassified memorandum from President Gerald Ford's files. Yet, Ford's response to the repeated proposal for talks was lukewarm. "Certain things must precede such contacts. We don't want to go in without a firm understanding," the U.S. President was quoted as saying in the declassified documents. (Lee Tae-hoon, "'N.K. Proposed Talks with U.S. before 1974 Assassination,'" *Korea Times*, January 11, 2011)

North Korea formally proposed holding talks with South Korea next month on ways to promote economic cooperation between the countries, South Korea said. In a pair of messages, the North proposed the sides meet on February 11 to discuss the resumption of cross-border tours and on February 9 to facilitate their cooperation involving a joint factory complex in the communist country, the Unification Ministry said in a release. In a separate message, the North also expressed regret over the South's decision not to send officials back to an inter-Korean office that Pyongyang had earlier promised to reopen in an apparent gesture aimed at reviving cross-border dialogue, the ministry said. (Sam Kim, "N. Korea Proposes Talks on economic Cooperation with S. Korea," January 12, 2011)

KCNA: "The General Guidance Bureau for the Development of Scenic Spots and the General Bureau for Central Guidance to the Development of the Special Zone of the DPRK on Wednesday separately sent notices to the Ministry of Unification of south Korea and the chief of the Supporting Team for South-North Cooperation Zones of the Ministry as clarified in the important proposal set forth in the recent joint statement of the DPRK government, political parties and organizations and the statement issued by a spokesman for the Committee for the Peaceful Reunification of Korea for putting it into practice. The north side in the notices proposed having talks for the resumption of

the tour of Mt. Kumgang in Kaesong on February 11 and informed that three persons concerned of the north side would go there. The north side also proposed having working talks on the work of the Kaesong Industrial Zone in Kaesong on February 9. Meanwhile, the north side reopened the Panmunjom Red Cross liaison channel and formally began its work from Wednesday. It also lifted the freezing of the Consultative Office for North-South Economic Cooperation and dispatched resident personages there as practical steps as the south side was informed on Monday [December 10]. The south side in its verbal notice agreed with the issue of opening the Panmunjom Red Cross liaison channel. But it took such insincere attitude toward the restart of the work of the above-said office, saying it would not send its personnel to it under the pretext of the derailed cooperation and claiming that it is impossible to operate the office and supply electricity to the building. In this connection, the director of the north side to the office in a notice sent to the director of the south side to the office Wednesday termed its intention not to operate even the office after unilaterally scuttling the north-south economic cooperation a very irresponsible attitude. He once again strongly urged the south side to take early practical measures for the regular operation of the office. " (KCNA, "North Side Sends Notices to South Side," January 12, 2011)

The two Koreas restored an important cross-border communication channel , though South Korea still rejected North Korea's calls for talks meant to defuse high tensions. The North cut off the Red Cross communication line at the border village of Panmunjom last year when tension spiked over the sinking of a South Korean warship blamed on Pyongyang. Relations between the Koreas further soured after a North Korean artillery attack that killed four South Koreans on a front-line island in November. The North, however, has recently proposed resuming talks with South Korea. It also made conciliatory gestures Monday, offering to restore the Red Cross line and allowing South Korean officials back into a joint factory park in the North. (Hyung-jin Kim, "2 Koreas Restore Key Hot Line despite Tension," Associated Press, January 12, 2011)

1/13/11 North Korea has extended a recent diplomatic offensive to Japan, saying that it welcomes Japanese government's willingness to resume direct talks, a news report said. KCNA said on its website that Japan's FM Maehara Seiji's last week comments "is a positive step and match the tide of the time to advance peace and stability in the new century and developments of nation-to-nation relations." "We are ready to meet and talk with countries that are friendly to us," KCNA said. "If Japanese authorities move to improve ties, it would contribute to peace and development on the Korean Peninsula and in Northeast Asia." Maehara said in Tokyo on January 4 that talks with North Korea should be one of Japan's major diplomatic agenda items for this year and they want to create an environment that will make it possible to further strengthen (efforts) to hold direct dialogue this year, and not only in multilateral settings. Maehara will visit Seoul later this week to hold talks with his South Korean counterpart on bilateral relations, North Korea and other regional and global issues, South Korea's foreign ministry said. (*Hankyore*, "N. Korea Pushes for Talks with Japan," January 13, 2011)

1/14/11 U.S. Defense Secretary Robert Gates said diplomatic engagement with North Korea, including multilateral negotiations, is "possible" but that Pyongyang must prove it is

ready for productive talks. His remarks came ahead of a meeting with Defense Minister Kim Kwan-jin in Seoul on the last leg of a trip that also took him to Beijing and Tokyo. "With regard to the next steps on North Korea, diplomatic engagement is possible, starting with direct engagement with DPRK (North Korea) and the South," Gates said. "When or if North Korea's action shows a cause to believe that negotiations can be productive and conducted in good faith, then we could see a return to the six-party talks."

Gates called on the North to stop its provocations and "take concrete steps to show they will begin meeting their international obligations." President Lee Myung-bak, in a separate meeting with Gates, stressed the importance of a strong alliance in the coming year, given the North's pledge to become a powerful nation by 2012. "As this year is an important time in resolving inter-Korean issues, I hope South Korea and the U.S. will cooperate and do their best to settle the North Korea issue," the president was quoted as telling Gates by the presidential office. (Kim Young-jin, "Gates Urges N. Korea to Show Good Faith for Talks," *Korea Times*, January 14, 2011) Gates held out the possibility of direct talks between the South and the North as a precursor to the resumption of multiparty talks to end the crisis on the peninsula. The Obama administration has been trying to choreograph a resumption of the talks with the North that include China, South Korea, Japan and Russia. But a senior South Korean government official said that no bilateral talks were possible until the North agreed to preconditions from the government in Seoul about the agenda, which would include a discussion of the sinking of a South Korean warship last March, the North's shelling of Yeonpyeong Island in November and North Korean nuclear activities. He spoke privately because of the delicate nature of the issue during Gates's visit. The official, who has close knowledge of the so-called six-party talks aimed at dismantling the North Korean nuclear programs, suggested that the recent revelation of a new uranium enrichment facility in the North was "a very, very serious challenge and a real provocation." "They must stop it immediately," he said of the facility, which North Korean officials have said is operational. The official said the United States was not pressing South Korea to resume the six-party process, which ended in 2009 when North Korea withdrew. Nor did he expect that any significant announcements about a resumption of the talks would come from the trip by President Hu Jintao of China to Washington next week. (Elisabeth Bumiller and Mark McDonald, "In Seoul, Gates Reaffirms American Support for South Korea," *New York Times*, January 15, 2011, p. A-5)

Prime Minister Kan Naoto conducted a minor Cabinet reshuffle, dumping two ministers whose resignations the opposition had demanded and promoting lawmakers who support a higher consumption tax rate and participation in the Trans-Pacific Partnership free trade agreement. In an attempt to buoy the government, three ministers were dropped, four new ministers were appointed, two incumbent ministers were transferred to new posts and 11 ministers retained their original posts. In an unconventional move, Kan appointed Yosano Kaoru --who just left the tiny Sunrise Party of Japan the previous day--to the post of state minister in charge of economic and fiscal policy, as well as social security reform. He also made former House of Councillors President Eda Satsuki justice minister. Eda is the first lawmaker to become

a cabinet minister after serving as president of the upper house. Dropped from the Cabinet were Chief Cabinet Secretary Sengoku Yoshito and Land, Infrastructure, Transport and Tourism Minister Mabuchi Sumio, both of whom had been under constant pressure from the opposition parties since censure motions against them were passed in the upper house. National Public Safety Commission Chairwoman Okazaki Tomiko also was dropped, with Nakano Kansei, former vice speaker of the House of Representatives, taking over the post. (*Yomiuri Shimbun*, "Kan Shifts Cabinet Forces; Sengoku, Mabuchi Lead Casualties; 4 New Ministers Join," January 15, 2011)

1/15/11

South Korean President Lee Myung-Bak said that North Korea's new enriched uranium program should be dealt with by the United Nations Security Council, his spokeswoman said. "The issue of North Korea's uranium enrichment program should be referred to the United Nations Security Council," Lee was quoted as saying when he met with Japanese Foreign Minister Maehara Seiji. South Korea's foreign minister Kim Sung-Hwan said in an interview with Yonhap News Agency published December 13 that the program was designed to make nuclear weapons, rebutting Pyongyang's claims that it is for peaceful use. "I absolutely agree," Maehara was quoted as telling Lee. (AFP, "S. Korea Wants UN to Act on N. Korea Uranium," January 15, 2011)

North Korea will establish a government body to fulfill 10-year projects for its economy, as record high prices threaten a repeat of the 2008 food crisis in the world. KCNA reported the North's cabinet had decided to set up the State General Bureau for Economic Development so as to build a "thriving socialist nation and to take a strategic position in the region and international economic relations." "It puts main emphasis on building infrastructure and developing agriculture and basic industries including electric power, coal, oil and metal industries and regional development," the news agency said. It will also help lay a foundation for the reclusive state to rank itself among the advanced countries in 2020, it added. "When the above-said strategy plan is fulfilled, the DPRK will emerge not only a full-fledged thriving nation but take a strategic position in Northeast Asia and international economic relations." (Reuters, "North Korea to Set up Economic Development Bureau," January 15, 2011)

A subtle war of nerves took place during today's meeting between South Korean Foreign Minister Kim Sung-hwan and Japanese Foreign Minister Seiji Maehara over North Korea-Japan dialogue. This came about because Japan only reluctantly agreed with South Korea's call for inter-Korean talks to precede North Korea-Japan talks. "Both our countries understood that inter-Korean ties should come first, and that inter-Korean relations should improve so that South Korea and Japan, and South Korea, the United States and Japan can restart talks with North Korea," Kim said in a joint press conference at the Central Government Complex in Gwanghwamun following the meeting. "I look forward to North Korea-Japan dialogue based on this understanding." In adding this statement, Kim essentially called for North Korea-Japan dialogue to be postponed until there was progress into inter-Korean ties. Maehara initially expressed agreement with South Korea-Japan cooperation, saying, "Inter-Korean dialogue must come first, considering matters such as the Yeonpyeong Island shelling." He also added, "I do not believe dialogue between Tokyo and Pyongyang should be limited to convening the six-party talks, and bilateral talks should take place in an appropriate

situation while considering movement in the six-party talks." This seems to indicate Tokyo could push for North Korea-Japan talks separate from the restart of the six-party talks only if certain conditions are met. In fact, the Mainichi Shimbun reported Sunday that Maehara told accompanying Japanese journalists Saturday night that under the principle that inter-Korean dialogue should come first, there could be some sort of contact between Tokyo and Pyongyang. (Yi Yong-in and Jeong Nam-ku, "S. Korea Is at Odds with Japan over N. Korea-Japan Bilateral Talks," *Hankyore*, January 17, 2011) FM Maehara Seiji said that the agenda for bilateral dialogue the Japanese government is seeking to hold with North Korea is Pyongyang's past abductions of Japanese nationals and missile threats, not its nuclear program. At a forum hosted by the state-funded Sejong Institute in Seoul on January 16, Maehara was quoted as saying that while Pyongyang's issues include those of its nuclear program, missile threat and abductions, the latter two should be considered Tokyo's issues. Whereas top Japanese and North Korean diplomats could sit face-to-face with each other to discuss the abductions at the six-party nuclear talks, the multilateral dialogue is for discussing Pyongyang's nuclear program, he said. Tokyo will seek dialogue with Pyongyang regardless of whether the six-way talks are held. "Basically, the abduction and missile issues should be resolved by Japan through direct negotiations with North Korea regardless of the six-party talks," Maehara said. "Failure to resume the six-party talks doesn't mean that the abduction issue won't be discussed," he said. "Families of the victims have strived to find their kidnapped relatives for 20 to 30 years. They'll be disappointed if told that the issue will not be discussed if the six-party talks are not resumed." Inter-Korean talks take precedence over Japan's dialogue with the North, he added, pledging that Tokyo will do its best at the six-party talks and cooperate with Seoul and Washington when holding talks with Pyongyang. (*Dong-A Ilbo*, "Japan: Nuke Talks Separate from Abductions, Missiles," January 17, 2011)

1/17/11

A U.S. diplomatic cable provided to WikiLeaks suggested that North Korea likely received payment for weapons sales to Iran via a Seoul-based branch of an Iranian bank blacklisted for aiding Iran's nuclear weapons programs. According to the cable dated March 24, 2008, which was released on Sunday by the Norwegian daily *Aftenposten*, "Hong Kong Electronics," an Iranian-based enterprise, wired a total of \$2.5 million to Bank Mellat's Seoul branch from its account in a Iranian bank, called Parsian. Hong Kong Electronics is known to be a fictitious firm of Tanchon Commercial Bank, which is in charge of financial support for the communist state's overseas arms exports. As a result, observers here believe the \$2.5 million payment to have been made after the North sold weapons to the Middle East state. The money was wired in euros in three occasions in November 2007, and \$1.5 million of it was remitted to bank accounts in China and Russia, according to the cable. Tanchon Commercial Bank is also known to have engaged in financial transactions to do with North Korea's selling of ballistic missiles to Iran. Along with the bank, Hong Kong Electronics is on a list of firms sanctioned by the U.N. Security Council, Washington and Seoul. Regarding Iran's transactions through Bank Mellat's Seoul branch, the U.S. State Department demanded in August 2007 that the Seoul government conduct a financial investigation into the branch's transactions associate, according to the cable. The Seoul government launched inquiries into the branch as well as Iran's Bank Sepah and sent a 46-page report on the result of the inquiries to the U.S. government. Washington, however, did

not find any suspicious dealings regarding nuclear programs and other weapons in the report, the cable said. In December of the same year, Seoul notified to the U.S. that it was continuing its investigation into the branch of the Iranian bank, which caused other South Korean banks to cut down on their transactions with Bank Mellat, the cable said. The cable also showed that in 2008 the State Department, which called the Seoul branch "a key node" for facilitating the spread of nuclear programs and other weapons, showed gratitude to the Seoul government for cooperation. (Song Sang-ho, "Iran Paid for N.K. Arms via Bank Mellat Seoul Branch," *Korea Herald*, January 17, 2011)

1/18/11 Despite their repeated calls for dialogue, South and North Korea remained wide apart Tuesday over what they should negotiate when and if the sides meet to ease the heightened tension on their peninsula. Speaking at a ceremony, South Korean Unification Minister Hyun In-taek dismissed Pyongyang's recent offers of talks as insincere and even contemptuous, insisting Pyongyang first apologize for its November 23 shelling and other provocations against the South. Hyun, the South's point man on the North, also said any dialogue between the countries would have to involve Pyongyang's promise to denuclearize and its apology for sinking a South Korean warship in March last year. "Without these, inter-Korean dialogue cannot move smoothly," he said, adding the North holds the key to restoring their dialogue. (Sam Kim, "Wide Rift between Koreas on Routes to Dialogue," *Yonhap*, January 18, 2011)

North Korea began building centrifuges to enrich uranium in the late 1990s, a high-ranking North Korean defector said today. "There is a factory in Huichon, Jagang Province that builds centrifuges," the defector said. There are fears that centrifuges manufactured in Huichon could have been moved to the nearby Yongbyon nuclear facility north of Pyongyang. Huichon is just 57 km from Yongbyon and the two cities are connected by road and railway. Turning to the North's existing nuclear weapons, the defector said their efficiency still needs to be improved, so North Korea will try to boost its nuclear capability by conducting a third nuclear test. "There is almost no chance that North Korea will start a war at this point," he added. "High-ranking North Korean military commanders know their country is incapable of sustaining a war." (*Chosun Ilbo*, "Defector Offers Insights into N. Korean Buildup," January 19, 2011)

1/19/11 Obama -Hu summit China Joint Statement: "The United States and China agreed on the critical importance of maintaining peace and stability on the Korean Peninsula as underscored by the Joint Statement of September 19, 2005 and relevant UN Security Council Resolutions. Both sides expressed concern over heightened tensions on the Peninsula triggered by recent developments. The two sides noted their continuing efforts to cooperate closely on matters concerning the Peninsula. The United States and China emphasized the importance of an improvement in North-South relations and agreed that sincere and constructive inter-Korean dialogue is an essential step. Agreeing on the crucial importance of denuclearization of the Peninsula in order to preserve peace and stability in Northeast Asia, the United States and China reiterated the need for concrete and effective steps to achieve the goal of denuclearization and for full implementation of the other commitments made in the September 19, 2005 Joint Statement of the Six-Party Talks. In this context, the United States and China

expressed concern regarding the DPRK's claimed uranium enrichment program. Both sides oppose all activities inconsistent with the 2005 Joint Statement and relevant international obligations and commitments. The two sides called for the necessary steps that would allow for early resumption of the Six-Party Talks process to address this and other relevant issues." (U.S.-China Joint Statement, Washington January 19, 2011)

South Korea is investigating about 10 companies accused of importing North Korean merchandise in violation of a ban that took effect last year over the sinking of a South Korean warship, an official said. South Korea suspended all cross-border trade in May last year when a multinational investigation found North Korea responsible for the sinking of the Cheonan earlier that year. Unification Ministry spokeswoman Lee Jong-joo said in a briefing in Seoul that authorities are questioning the companies on suspicion of violating the ban by importing marine products, mushrooms and other items from North Korea via China. The companies claimed that they had thought the products were originally from China. Lee said the government plans to step up its crackdown on imports from North Korea starting next month in an effort to reinforce the ban. (Yonhap, "Companies under Probe for Importing N. Korean Products: Official," January 19, 2011)

North Korea has again begun to collect foodstuffs from its residents for military use, as food shortages for its 1.2 million troops have been getting increasingly worse, Radio Free Asia reported today, citing sources in the communist state. It is the third time in history that the regime in Pyongyang is known to have requisitioned foodstuffs from the people to feed its military, the broadcaster said, noting the previous two occurred in the mid-to-late 1990s, when millions starved to death, and in July 2002, when an emergency economic management measure was enforced. "On January 10, the Workers' Party has sent out a written order to plants, companies and labor groups, urging them to donate foodstuffs to the military from January 12," the RFA said. "In the order, the party stressed that soldiers standing guard over the border are surviving on canned cornmeal porridge and threatened to assess the amount of donations by individual entity," the RFA said, adding the North failed to attain its goal of securing 1.6 million tons in provisions for the military last year. (Yonhap, "N. Korean People Ordered to Donate Food to People: Report," January 19, 2011)

As the Lee Myung-bak administration's sanctions against North Korea draw out into the long term, tenant companies in the Kaesong Industrial Complex are lurching toward the edge of a cliff. Eight presidents of the tenant companies, who asked that their names not be disclosed, agreed to a series of interviews with the *Hankyoreh*. They complained that they have lost hundreds of millions of Won (hundreds of thousands of dollars) with the suspension of factory construction due to administration measures forbidding new investment. They also said that the situation is growing bleaker by the day, with veteran employees quitting as the numbers of resident personnel at the complex drops due to concerns about personal safety. Despite all of this, they suffer without a word of formal complaint out of fears that they might draw the anger of North Korean and South Korean authorities. In its May 24 measures last year, the Lee administration declared a suspension to trade and exchanges with North Korea in

response to the sinking of the Cheonan. At the complex, only existing facilities were allowed to operate, while the resident workforce was halved to 500 people and the introduction of additional equipment was prohibited. Sixteen companies that were in the process of building new factories suffered a direct hit from these measures. At present, a total of 122 small and medium companies run factories in the complex. Company "A," is a garment company that invested 5 million Won (\$4,493) in inter-Korean economic cooperation funding to build a sewing factory, but were forced to suspended construction with approximately 90 percent of the process complete. "Only the exterior and interior remain," said the president of the company. "We could not bring in factory equipment, so we just gave up." The Export-Import Bank of Korea (EXIM) only stood surety for 90 percent of the loan, so Company A faces the immediate burden of principal and interest repayments in the hundreds of millions of Won. It also has to pay 16 million Won per year in interest on the EXIM-guaranteed loan until compensation money comes from the government. The company's president said, "We borrowed the money because they said to do an inter-Korean economic cooperation project, and then they just cause a loss by suspending exchange. Is the administration playing interest games with South Koreans?" To date, a total of 1.26 trillion Won (\$1.1 billion) has been invested in the complex, the bulk of which is facility investment paid by tenant companies, amounting to 730 billion Won. Company "B," another garment company, originally had seven South Korean employees working with 330 North Korean workers. But following the order from Seoul to halve the number of resident employees, there are now just three South Korean employees left. Two employees left the company. "The employees who left were heads of household in their forties who had worked with us for over a decade," the president sighed. "They had a difficult time getting up at 6 in the morning for the 70 to 80 kilometer commute, and the government actually ended up fanning anxieties with its talk about 'protecting employee safety,' so their family members dissuaded them from working at the complex." Hiring new employees is not an option. In some cases, interviews were held and start dates were set before the new recruits abandoned their plans after the Yeonpyeong Island shelling occurred two months ago. Company B, which has its head office in Seoul, is in a slightly better position. Employees at businesses in Daegu, Gwangju, and Busan, for whom commuting is impossible, are forced to stay at motels in Munsan, Gyeonggi Province. "They emptied out a perfectly good dormitory in the Kaesong complex, and employees have been wasting time, money, and strength for months now," said the president of Company "C." "It stands to reason that the departure rate is increasing." The president of Company "D" stated emphatically that there is no physical risk at the complex. In fact, the president said, North Korean authorities have added more productive labor on site since the Cheonan sinking and the bombardment of Yeonpyeong Island. The 45,332 North Korean workers as of November 2010 represented an increase of a full 2,771 over the 42,561 working in 2009. The president of Company D stressed that the government must increase the number of resident personnel if the physical safety of South Korean employees is to be guarded. "If it is impossible to guarantee physical safety, they should not be leaving a single person at the Kaesong complex," the president said. "Does it make any sense to say that 500 people is okay, but 1,000 is not?" Some buyers have also fallen away because of anxieties. In late 2010, garment company "E" lost a buyer that had previously been purchasing 70 percent of its production output. "They got worried

when it became difficult to bring in raw materials due to the sanctions against North Korea, and finally they halted transactions, saying that they thought the government had washed its hands of the Kaesong complex," the president of Company E said. "Even if we suspend operations because there is no work to do, we still have to pay the workers' wages, so the deficit is increasing by the day." With the decreased South Korean presence, six commercial facilities within the complex have also closed down, including a supermarket, restaurant, and singing room at "Songak Plaza." "If you look at the Gaeseong Industrial Complex Support Act, which the National Assembly passed unanimously, the government is to provide support and guarantees so that we can conduct business freely, like companies do in any other region," said the president of Company F. "We are on the brink of withering away because of this idea of restricting property rights and company activities for administrative expedience, and through a minister's order rather than any law." While they have been driven to the brink, the company presidents are adamantly opposed to closure of the complex. The president of Company G explained, "{At first, things were rocky because of cultural and ideological differences, but now the North Korean workers understand the companies. They have realized by themselves why we need to meet the delivery deadline, why we need to improve quality, why we need to make so much. The Kaesong complex is performing the role of reducing the costs of reunification by restoring homogeneity between North Korea and South Korea." The president of Company H said, "The possibility of war is also being checked by the presence of North Korean and South Korean workers in the complex." "For the sake of peace and shared prosperity, we need to develop [the complex] into a special economic zone of peace where North Korea and South Korea can communicate," the president added. (*Hankyore*, "Kaesong Companies on the Brink As Sanctions Continue," January 19, 2011)

South Korea and the United States reportedly began discussions in late 2010 toward amending the ROK-U.S. ballistic missile guidelines. The goal of the discussions is to further loosen the restriction on the firing range following the revisions agreed upon in the new missile guidelines of Jan. 2001, in which the limit for independently developed missiles was extended from a 180 km firing range to a 300 km range and a weight of up to 500 kilograms. "Following the Cheonan sinking and the artillery attack on Yeonpyeong Island last year, South Korea and the U.S. agreed significantly on the issue of extending the ballistic missile firing range," a government source said. "The argument is that while North Korea has the capability to launch a direct strike on the Korean Peninsula and surrounding countries such as Japan since fielding mid-range ballistic missiles with a firing range of 3,000 km in 2007, North Korea is not within South Korea's firing zone in times of emergency because the range of its ballistic missiles is only 180 to 300 km." The source added, "Since the discussions between the two countries have just begun, there is no way of knowing how much the firing range and warhead weight will be increased, but they will need to increase the firing range to over 1,000 km." Whenever North Korea has held test launches of mid- and long-range missiles in the past, the argument has been vociferously made principally by conservatives and the Ministry of Defense that South Korea also needs to extend the firing range of its ballistic missiles. However, in light of the fact that the United States is applying heavy pressure on North Korea to freeze its missile activity and the possibility of Chinese objections to the increase in firing range, some experts are predicting that

the scale of the firing range adjustment will not be as large as South Korea hopes. Of the proposed amendment, Democratic Party lawmaker and former Foreign Minister Song Min-soon said, "If the weight of the ballistic missile warhead exceeds 500 kg, neighboring countries will see it as the installation of a nuclear warhead." Song added, "It is a matter that needs to be considered carefully in terms of an arms race not only between North Korea and South Korea, but involving all of Northeast Asia." Song also said, "If the ballistic missile firing range is 1,000 km, that puts Tokyo and Beijing within range, and ultimately we ourselves are exposed to that kind of threat." (Kwon Hyuk-chul, "S. Korea's Ballistic Missile Firing Range May Increase," *Hankyore*, January 20, 2011)

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South Korea's government said it has decided to accept North Korea's proposal for high-ranking military talks and proposed to hold preparatory working-level military talks. Separately, the Seoul government also decided to propose holding inter-Korean talks between high-ranking government officials from both sides to discuss the issue of denuclearization, officials said. Earlier today, North Korea sent a telegram signed by Kim Young-chun, minister of the People's Armed Forces, to South Korean Defense Minister Kim Kwan-jin proposing high-level military talks with South Korea to discuss "pending" military issues between the two sides, according to Seoul's defense ministry, ministry officials said. The proposal came after U.S. President Barack Obama and Chinese President Hu Jintao urged the two Koreas to resume dialogue to stop the North's provocations and nuclear weapons program after their summit meeting in Washington yesterday. "The South Korean government will come to the talks to ask North Korea to take responsible measures for the torpedoing of the Cheonan and the artillery attacks on Yeonpyeong and promise not to conduct further military provocation in the future," said a Unification Ministry official. "As the North fails to mention denuclearization in its talks proposal telegram, the (South Korean) government will propose denuclearization talks between high-ranking government officials to sound out the North's real intention on the issue," said the official. Seoul's Deputy Defense Minister Chang Kwang-il said in an earlier media briefing, "The Koreans have usually referred to talks between generals or higher as high-level military talks. North Korea's proposal can also be interpreted as referring to minister-level talks." Chang said, "The first inter-Korean defense minister talks occurred on Jeju Island in September 2000, while the second one was held in Pyongyang in November 2007. North Korea asked South Korea to select a convenient date and venue for the proposed military talks." (Yonhap, "S. Korea Accepts N. Korea's Military Talks Proposal," January 20, 2011) In a statement, the UnifMin said the South would use the working-level meetings to determine whether the North will actually meet the South's conditions. Only then would it decide if the defense ministers can meet, the ministry said. The South has reacted with suspicion to the North's sudden charm offensive, and by placing tough conditions on resuming talks, making it unclear how much of a breakthrough, if any, might come out of the working-level talks. Still, they might open the way for something that has been sought by the United States, the resumption of six-nation talks on disarming the North's nuclear program. To achieve that, the United States has been nudging South Korea to be more receptive to the North's overtures. The North for the first time acknowledged today the South's conditions, and appeared to indicate a possible willingness to at least discuss them. In its proposal, the North

said it wanted to clarify its "viewpoints" on both attacks, and also discuss lowering military tensions on the peninsula, the Unification Ministry said. It said the North's proposal came in the form of a written message from the North Korean defense minister to his South Korean counterpart. The ministry also said it made a counterproposal to the North of separate high-levels talks aimed at judging North Korea's sincerity in fulfilling its previous promises to give up its nuclear weapons programs. "It remains to be seen if North Korea is serious about accepting the South Korean conditions," said Kim Sung-han, a professor of international relations at Korea University in Seoul. "A discussion of 'viewpoints' could just be a fruitless game of words." Kim said one likely scenario was that the North felt pressured to act by this week's summit in Washington between the presidents of the United States and China, North Korea's traditional patron. In a joint statement, President Barack Obama and Chinese President Hu Jintao called for serious and constructive dialogue between the Koreas on reducing tensions, and for the first time, China "expressed concern" about the North's recently disclosed uranium-enrichment plant. Some analysts said it is also possible that the North was hoping the overtures would encourage the United States to keep pressing the South to ease its preconditions for talks. Others said the North's softening might also reflect a growing desperation over its decrepit state-run economy and a need for aid from the wealthy capitalist South. The South's cautious responses so far reflect the deep skepticism with which many South Koreans have viewed the North's proposals. Analysts here appear convinced that the overtures, including the most recent ones on Thursday, are simply a ploy by the closed, Stalinist state to extract economic aid or win international support. "The North's policy is like a pendulum swinging back and forth between brinkmanship and conciliation," said Ha Young-sun, a professor of international relations at Seoul National University. "Nothing has really changed, and the North is not really ready to change." Lee administration officials say their preconditions for talks are aimed at breaking a cycle of provocation followed by dialogue that the North has used to wrest concessions from the South and the international community. They said South Korea refuses to restore economic ties until the North takes concrete steps, such as revealing all the details of the newly unveiled uranium enrichment program. "The situation now is totally different than in the past," said Kim Tae-hyo, deputy national security advisor to President Lee. "We will withhold economic assistance until concrete progress is evident." President Lee, a conservative, came into office in 2008 demanding progress on denuclearization as a condition for economic aid to the impoverished North. However, analysts said the conditions that the administration is now placing on resuming talks are tougher than what President Lee has sought before. By forcing the North to swallow its pride, the South's conditions may be so tough that a resumption of talks becomes impossible, some experts said. Some critics said that the tougher stance was a sign that President Lee has largely given up hope of a breakthrough with the North during the final two years of his administration. "Lee Myung-bak's hard line is not giving North Korea a real chance to resume dialogue," said Kim Keun-sik, a professor of North Korea studies at Seoul's Kyungnam University who served as an advisor to Mr. Lee's liberal predecessor, Roh Moo-hyun. "He is closing the door too soon." (Martin Fackler, "South Korea Agrees to Low-Level Talks with the North," *New York Times*, January 20, 2011) [NB: Contrast to story in morning Times after administration officials spun it]

President Obama warned President [Hu Jintao](#) that if China did not step up its pressure on North Korea, the United States would have to redeploy its forces in Asia to protect itself from a potential North Korean strike on American soil, a senior administration official said today. Obama's warning, first made in a phone call to Hu last month and repeated over a private dinner at the White House on January 18, persuaded China to take a harder line toward North Korea, the official said, which opened the door to a resumption of dialogue between North and South Korea. North Korea dominated the intimate dinner that Obama held for Hu on January 18, the official said. Obama focused on the North's recently disclosed uranium-enrichment plant, saying that it was one part of a three-pronged threat to the United States that included the North's production of plutonium bombs and development of intercontinental ballistic missiles. Without help from China, Obama told Hu that the United States would have to take long-term measures, like redeploying its forces, changing its defense posture or beefing up military exercises in Northeast Asia, according to the administration official. "It was not meant to suggest pre-emption, but we were projecting that a North Korea that becomes a national security threat is going to get a response," said the official, speaking on the condition of anonymity to discuss internal deliberations. "That was attention-getting for the Chinese." The United States angered China last year when it sent the aircraft carrier *George Washington* to take part in joint drills with South Korea in the Yellow Sea after the North's sinking of the South's warship. (Mark Landler and Martin Fackler, "An American Warning to China Causes Ripple Effect on the Korean Peninsula," *New York Times*, January 21, 2011, p. A-8) "[North] Korea's nuclear and ballistic missile program is increasingly a direct threat to the security of the United States and our allies," Obama said alongside Hu. "The paramount goal must be complete denuclearization of the peninsula." "I told President Hu that we appreciated China's role in reducing tensions on the Korean Peninsula," he said, "and we agreed that North Korea must avoid further provocations." (Christine Kim, "Hu Calls North's Enrichment a 'Concern,'" *JoongAng Ilbo*, January 21, 2011)

KCNA: "The Korean Peninsula is now standing at the crossroads of war and peace. The whole world is heading for peace and stability but it is only the Korean Peninsula where the military tension persists amid a vicious cycle of antagonism and jealousy, confrontation and clash. The north-south relations are in the worst phase in the history of division. Koreans, be they in the north and the south, in a political circle or the military, should feel responsibility for the situation quite contrary to the aspiration of the nation and the demand of the times. It is the duty and mission of an army to protect its country and nation from foreign forces' aggression and interference. Aware of this mission, the minister of the People's Armed Forces of the DPRK National Defense Commission Thursday [20 January] sent the following open message to the minister of Defense of South Korea in connection with the opening of the north-south high-level military talks to defuse the tension on the peninsula: The important proposal for terminating the phase of acute confrontation through wide-ranging dialogue and negotiations is arousing great support and sympathy at home and abroad. It is the unshakable will of the Korean People's Army to fulfill its due mission and duty as an army of the Korean nation to bring about a new phase of detente on the Korean Peninsula and the improvement of the north-south relations for the purpose of carving out a rosy future of independent reunification and peace and prosperity, without being

subject to the past. **As all the items which the south side would like to put on the agenda of the north-south authorities talks are of military nature related to the military authorities of both sides, the north side has a firm stand that high-level military talks should be opened to handle all the pending military issues including those matters and find solutions to them at the talks. The message proposed adopting "On clarifying a view on the 'Ch'o'nan [Cheonan]' Case and Yonphyong Island Shelling and defusing military tension on the Korean Peninsula" as the agenda of the talks.** It also proposed opening the talks in a place both sides deem convenient in the first half of February to be agreed upon and holding preliminary talks in late January for discussing technical matters related to the opening of the full-dress talks and other specific matters. (KCNA, "Open Message to the Defense Minister of S. Korea," January 20, 2011)

1/21/11

A North Korean government body overseeing joint ventures and investments has come to hold the complete power to allure capital from abroad and play a leading role in establishing joint ventures with foreign countries, especially with China. The Committee of Investment and Joint Ventures has come to the central state organization guiding, supervising and administrating the inducement of investment from abroad, a reliable source familiar with North Korean affairs in China said on January 21. The source, who recently visited North Korea, said the committee will likely replace the (North) Korea Taepung International Investment Group, Pyongyang's state investment agency as it has made little achievements for the past year in attracting foreign capital to the impoverished country. Other sources well versed with North Korean affairs said the North Korean committee reached agreements with China last year on the joint development of Hwangkumpyong Island, located on the Amnok (Yalu) River bordering the allied countries, and the Rason free trade zone in the North's northeastern coastal city. North Korea last year upgraded the government branch overseeing joint ventures and investments in an apparent effort to better lure capital from abroad. KCNA reported on July 9 last year that the country's "Joint Venture and Investment Guidance Bureau was reorganized into the Committee of Investment and Joint Ventures of the DPRK." The joint committee was controlled virtually by Jang Song-thaek, the brother-in-law of leader Kim Jong-il. In North Korea, a bureau is a government branch that serves under a Cabinet body. Following the reorganization into a committee, the investment body has been effectively upgraded to supersede a Cabinet body in scale and capacity. But the committee is now chaired by Ri Chol, former North Korean ambassador to Geneva. Ri is also believed to be the caretaker of Kim's secret funds overseas. Before his departure from Switzerland, He was believed to have transferred Kim's secret funds, estimated at US\$4 billion, from Swiss banks to Luxembourg and other European countries, according to sources. (Yonhap, *North Korea Newsletter No. 142*, January 27, 2011)

1/22/11

North Korean products are being sold in South Korea labeled as Russian after the South stopped all cross-border trade in May last year. The Unification Ministry has released a list of the top 10 North Korean agricultural and fisheries imports, which show that the South brought in around 310,000 tons between 2006 and 2010. Imports totaled US\$677 million tons, which worth \$135 million a year. Over the last decade, North Korea also earned more than \$500 million from the Mt. Kumgang tours, while

the Kaesong Industrial Complex brought in \$50 million annually. Shellfish exports made the most money for the North, totaling 171,533 tons worth \$268 million, followed by dried fish (\$78.76 million), processed fish products (\$76.02 million) and other seafood (\$67.42 million). Before the South halted trade following the sinking of the Navy corvette Cheonan, most North Korean shellfish was brought into the port city of Sokcho on the east coast. South Korean importers paid in U.S. dollars in Sokcho after signing contracts in the Chinese border town of Dandong with North Korea's official economic cooperation agency. But since trade was halted, North Korean shellfish has been labeled in Dandong as Chinese in origin and apparently sent to the western port city of Incheon. North Korean fisheries products are also apparently loaded on to Chinese vessels in the West Sea and brought into South Korea. As the pressure to bring in more dollars increases, chances have risen that the North's agricultural and fisheries products are being falsely labeled. A South Korean businessman who trades with North Korea, said, "Since trade was halted, North Korea has been trying to sell its products to South Korea labeled as Chinese or Russian in origin. This shows just how desperate North Korea is for dollars." The alternatives would be to sell the goods to China, the North's largest trading partner, but prices have to be slashed and it costs more to transport them. Most of the dollars North Korea makes from selling goods to South Korea appear headed straight for leader Kim Jong-il's coffers and used to prop up his rule. Kim's funds are divided into local and foreign currencies and the latter, raised by selling farm and fish products, account for a key portion. Products such as shellfish and mushrooms that can bring in the most foreign currency are controlled by the Workers Party or the military, making it hard for the money to be used to boost the welfare of the North Korean people. (*Chosun Ilbo*, "N. Korea Sells Products in South under False Labels," January 22, 2011)

1/24/11

Rodong Sinmun bylined article: "Detente on the Korean Peninsula is essential for peace in Northeast Asia. ...The Korean Peninsula has turned into a region fraught with highest tension and biggest danger of war worldwide. Such developments badly affect peace in Northeast Asia. Increased danger of military clash on the peninsula strains the situation of Northeast Asia but atmosphere of peace there brings stability to the region. One of the important problems for ensuring peace on the peninsula is to see into the essence of the U.S. policy for aggression on Korea and take a principled stand toward it. The U.S. has justified this policy, asserting that it is to cope with 'military threat' from the DPRK. But, historically the latter has never posed threat to the security of the former. Its talk about non-existent 'military threat' is just for a pretext to perpetuate its military occupation of south Korea and reinforce its aggression armed forces around the peninsula. The U.S. strategy is to put whole Korea under its control by military strength and, with it as a springboard, dominate Northeast Asia and, furthermore, Eurasia. The more loudly the U.S. talk about "military threat" from the DPRK, the more serious danger of war will grow on the Korean Peninsula and, accordingly, the situation of Northeast Asia and the Asia-Pacific region will be strained. It is the consistent stand of the DPRK to preserve peace and security in Northeast Asia and, furthermore, contribute to achieving global peace, security and development." (KCNA, "Détente on Korean Peninsula Urged: *Rodong Sinmun*," January 24, 2011)

1/25/11

Obama State of the Union address: "On the Korean Peninsula, we stand with our ally South Korea, and insist that North Korea keeps its commitment to abandon nuclear weapons."

A South Korean government official said February 19 that North Korea sent a statement from Minister of Defense Kim Yong-chun to his U.S. counterpart Robert Gates on January 25, requesting high-level military talks between the North and the United States. The statement was delivered to the U.S. Embassy in China, the official said. North Korea had suggested the two parties discuss denuclearization, the recovery of the remains of U.S. soldiers killed in the North during the Korean War and measures to ease military tension along the Northern Limit Line off the west coast of the Korean Peninsula. The request was made just five days after a similar statement was sent to South Korea's Minister of National Defense Kim Kwan-jin. The North's request was met with flat refusal from the U.S., which reiterated its stance that inter-Korean talks should come ahead of any other international engagement, the official said. The U.S. added that any discussion of lessening military tension on the maritime border should be taken up with the United Nations Command Military Armistice Commission, which has been in operation since the end of the Korean War in 1953. (Christine Kim, "North Wanted Military Talks with Washington," *JoongAng Ilbo*, February 21, 2011)

South Korea wants North Korea to offer an "acceptable" apology for its deadly shelling of a South Korean island and the sinking of a warship when the two sides hold working-level defense talks. "It is not appropriate for me to talk about what will be discussed at the upcoming working-level defense talks. But regarding the level (of apology) ... one clear principle is that whatever the wording would be, it should at least be acceptable to our people," FM Kim Sung-hwan told reporters. (Chang Jae-soon, "S. Korea Wants 'Acceptable' Apology from N. Korea: FM," January 25, 2011) South Korea is to send a message to the North tomorrow of the next day calling for denuclearization talks. Seoul is also going to accept a proposal from Pyongyang for military talks. "Inter-Korean talks will give the same amount of importance to the denuclearization issue as to the question of North Korea taking responsible steps over its sinking of the Navy corvette Cheonan and its shelling of Yeonpyeong Island," a government official said. "If the North accepts our proposal, we'll propose a preliminary round of high-level denuclearization talks." He added the Unification Ministry will act as the communication channel, but the military talks will be handled by the Defense Ministry and the denuclearization talks by the Foreign Ministry. (*Chosun Ilbo*, "Seoul Wants Nuclear Talks with Pyongyang," January 25, 2011)

1/26/11

U.S. Deputy Secretary of State James Steinberg said that the North should understand a "clear message" from last week's summit between U.S. President Barack Obama and Chinese President Hu Jintao that its uranium program breaches its international obligations and must be rolled back. "It's very important that the international community send a strong message that the uranium enrichment program, indeed any uranium enrichment program by North Korea, would be inconsistent with its international obligations, with Security Council resolutions and with its own commitments," he said. "I think the strong position that we've all taken and I think the clear message coming

out of the summit between President Obama and President Hu should help drive that message home," the diplomat said after talks with South Korean FM Kim Sung-hwan. Steinberg's calls for a strong international message to the North suggest that Washington could be working harder to try to persuade China to agree to bring the matter to the Council. "We agreed to continue to work closely together over responses from the international community, including the Security Council," a senior South Korean official said. But the senior South Korean official said that **Pyongyang's apology for the two attacks is "not a direct precondition"** for six-party talks, stressing that it is more important for the North to prove its denuclearization commitment if the nuclear talks are to reopen. "Even if North Korea takes responsible measures over the Cheonan and Yeonpyeong issues, six-party talks cannot resume as long as it does not demonstrate through action its seriousness about denuclearization," he said. (Chang Jae-soon and Lee Haye-ah, "Senior U.S. Diplomat Calls for Strong Int'l Response to N.K. Uranium Program," Yonhap, January 26, 2011)

Steinberg: "We're particularly grateful for the strong leadership that President Lee and the Foreign Minister have shown in making clear that we're determined to move forward in a constructive way in dealing with the challenges of North Korea's provocations and its nuclear program, but that in order to move forward North Korea does need to demonstrate that it's sincerely prepared to step back from the provocations and to engage in a meaningful dialogue that will lead to concrete steps to deal with its nuclear program. We had a chance to brief the Foreign Minister on the meetings that President Obama and President Hu had in Washington, and I think we both agreed that through our common efforts we're beginning to make progress in persuading all the parties that we need to see concrete steps and a sincere move by North Korea to move forward and that if North Korea is prepared to move in that direction that we are prepared to do so as well. I expressed appreciation for the efforts and the initiatives that the government here has made including its proposal for military-to-military talks with North Korea and we are very supportive of the efforts that the government here has taken in that respect. And as I say in all respects, I think we see very much eye to eye on the path forward and will continue to work together very closely to that end. **Q:** Does China also see the need for the two Koreas to discuss denuclearization before the Six Party Talks? **STEINBERG:** I think it was very clear from the conversations that took place both before the summit and during the summit with President Obama and President Hu that China understands the importance of moving forward initially with North-South dialogue. That rebuilding trust here in South Korea is a critical first step towards being able to move forward to more broad based dialogue. So in that sense I think there is a shared view among all of us about the centrality and importance of moving forward on the North South dimension. **Q:** Do you believe that the tough diplomatic and military line that South Korea has been taking has helped change North Korea's tune recently? **STEINBERG:** I think it's been very important that North Korea understand that these provocations will not be tolerated by any of us and I think the strong coordination and cooperation between the United States and South Korea both on the military and the political level has sent a strong message to North Korea that they're not going to achieve their objectives through intimidation and through coercion and that, on the contrary, that all they will do is deepen their isolation and lead to even more effective implementation of the measures that we have

adopted in response to previous provocations. So the message to the North is clear. I hope that their recent moves reflect a recognition that if they want to move on the agenda that they say that want to move into-- the more constructive relationship with South Korea and the rest of us -- that they'll need to show some sincere moves away from the path of provocation and towards a meaningful and sincere dialogue. **Q:** Do you think that chances of taking the uranium to the UN Security Council are higher now than before the summit meeting? **STEINBERG:** I think the Minister and I both agreed that it's very important that the international community send a strong message that the uranium enrichment program, indeed any uranium enrichment program by North Korea would be inconsistent with its international obligations, with Security Council resolutions, and with its own commitments under the Joint Declaration, the 2005 Joint Declaration. And that the stronger that we can make that message and the more different opportunities that we have to do that, the more I think we'll be successful in persuading the North that it needs to go back to its commitments under the Joint Statement. So I think the strong position that we've all taken and I think the clear message coming out of the summit between President Obama and President Hu should help drive that message home." (Deputy Secretary of State James B. Steinberg, "Remarks at the Ministry of Foreign Affairs and Trade," Seoul, January 26, 2011)

South Korea said it has proposed holding working-level military talks with North Korea on February 11. The proposed talks, which would be held at the border truce village of Panmunjom, are aimed at setting the time, place and agenda for a higher-level military meeting, said Kim Min-seok, a defense ministry spokesman. North Korea has yet to respond to the South's proposal made via a military communications line at Panmunjom, Kim said. The talks are expected to be led by Col. Moon Sang-gyun of the South and Col. Ri Son-kwon of the North, who have served as representatives of working-level military talks from each side for years. But the level of representatives is likely to be upgraded to general-level officers, depending on the North's response, Kim said. "When North Korea sends us a reply message, we will decide on the level of representatives at the working-level talks," Kim said. South Korean defense officials have also insisted that North Korea apologize for the two attacks that killed a total of 50 South Koreans and promise not to provoke the South if the ministerial-level talks take place. "Our government's stance is clear. North Korea must take responsible measures to account for the attacks on the Cheonan warship and Yeonpyeong Island, apologize for the attacks and pledged not to provoke again," Kim said. "If North Korea refuses to do so, the ministerial-level talks won't be held." (Yonhap, "S. Korea Proposes Military Talks with N. Korea on Feb. 11," January 26, 2011)

DPRK FoMin spokesman: "Thanks to the sincere efforts of the DPRK there are now a series of possibilities on the Korean Peninsula for defusing the tense situation, which was inching close to the brink of war, and restarting the process for its denuclearization. Efforts are being exerted by countries around it to promote them. It is the common aspiration of the international community and the urgent need of the times to ensure peace and stability of the peninsula through dialogues and negotiations and push ahead with its denuclearization. However, the forces keen to pursue their selfish goals through increased tension and confrontation are becoming

craftier step by step in their efforts to obstruct dialogues. The peninsula is the region where hostile relations are intertwined doubly and triply due to the state of instable ceasefire that has lasted for more than half a century. It is important, therefore, not to miss the hard-won opportunity but keep alive the atmosphere of dialogue in order to avoid vicious cycle of growing tension. **It is necessary to guard against the assertions intended to unilaterally put up preconditions or deliberately set the order of various dialogues.** It is the genuine stand for dialogue to make sure that multi-faceted dialogues have their proper agendas and untie knots one by one on the principle of finding common denominators while putting aside differences. The nuclear issue on the peninsula surfaced due to the U.S. threat of a nuclear war and its hostile policy towards the DPRK and it is, therefore, essential to find a modality of dialogue for eliminating its root cause. The DPRK remains unchanged in its stand to denuclearize the whole peninsula. Invariable is the DPRK's will to comprehensively implement the September 19 Joint Statement in the spirit of equality and according to the principle of simultaneous action. One party's action is bound to be interpreted by the other as a provocation as long as hostile relations between the DPRK and the U.S. and between the north and the south go on in the peninsula. **It is the DPRK's stand to stop actions regarded by each other as provocations by building confidence through dialogues and negotiations. It is willing to make concerted efforts to put this into practice.** The present situation of the peninsula standing at the crossroads of detente and the vicious cycle of increasing tension requires the countries concerned to make a courageous decision to use the opportunity of dialogue from a broad perspective and with the awareness of the mission they assumed before the times." (KCNA, "DPRK Stand on Denuclearization of Korean Peninsula Remains Unchanged," January 25, 2011)

1/?/11

The tense situation on the Korean Peninsula has further plunged into extreme uncertainty as there emerges the possibility of another North Korean provocation in the near future. North Korea's top defense official recently warned of a "nuclear catastrophe" and demanded direct talks with the United States. The possibility of another provocation has surfaced as the North is frustrated with the failure of inter-Korean dialogue despite the fact that the U.S. and China have urged dialogue between the two Koreas first, before the resumption of the six-party talks to end the North's nuclear ambitions. Pyongyang is now at a crossroads of dialogue or confrontation since the first military talks between the two sides, held earlier this month, failed to reach any agreement on easing tension on the peninsula, according to North Korea watchers. Worse yet, there are reports that the North is preparing to test fire long-range missiles and conduct a third nuclear test. Last November, the North startled the world when it revealed a uranium enrichment facility. In this critical situation, a senior South Korean official said that Kim Yong-chun, the minister of the North's People's Armed Forces, in a letter sent to U.S. Defense Secretary Robert Gates late last month, demanded direct talks with Washington. He stressed in the letter that the North and the U.S. should meet bilaterally because the nuclear standoff boils down to an issue between the two sides, the Seoul official said during a briefing at an annual conference of South Korean diplomatic mission chiefs, according to multiple participants. Kim said in the letter that unless something is done about the deadlock in the North Korean nuclear issue, a "nuclear catastrophe will

break out on the Korean Peninsula," the senior briefer was quoted as saying at the diplomats' conference that opened in Seoul for a five-day run. The letter shows that the North Korean situation is heading toward a "climax," the official was quoted as saying. "After all, the next step will be either one of two things, whether it will come to dialogue or stage provocations, and I think North Korea is standing at such a crossroads," the briefer said at the conference, according to the participants. (Yonhap, "North Korea's Defense Minister Warns of 'Nuclear Catastrophe,'" *North Korea Newsletter*, No. 146, February 24, 2011)

1/27/11

North Korea must show its genuine willingness to denuclearize in dialogue with South Korea if the communist state wants to see the restart of six-party talks on its nuclear programs, South Korean President Lee Myung-bak's top security adviser Chun Yung-woo said. In a speech in Seoul, Chun said the planned dialogue would serve as a "test bed" for North Korea to show that it has turned around from its pursuit of nuclear arms. "Six-party talks resumed without the commitment to abandon nuclear programs will merely be talks for the sake of talks and a venue for North Korea to buy time," Chun told a group of unification activists. "If the sincerity is confirmed, we will then resume the six-party talks and discuss in which order and through which plan (denuclearization) will be achieved." Chun said North Korea has incurred an estimated annual economic loss of US\$300 million since South Korea suspended cross-border trade over the deadly sinking of a South Korean warship in March. The price of rice in North Korea also doubled in the past three months, he said, describing Pyongyang as "very desperate" for aid that would facilitate its ongoing hereditary power succession. "North Korea has kicked away its own lifeline" by going ahead with provocative acts, Chun said. "Denuclearization is possible when (the North) is faced with having to choose between either denuclearizing or not," he said, calling the latter a choice with "no future." Chun said his government is not preoccupied with drawing apologies from the North over the warship sinking and island shelling last year, but that there is "no reason why the North should not apologize." He said, "No progress will be made if (North Korea) behaves irrationally" in its military talks with South Korea by seeking rice and fertilizer aid instead of genuine reconciliation. "We're trying to see whether or not the North is only trying to extract something from inter-Korean talks," he said. "We have been cheated many times by peace offensives, but we no longer shall be." (Sam Kim, "Koreas Should Discuss Nukes before Six-Party Talks Can Reopen," Yonhap, January 27, 2011)

Senior government officials hurried to contradict one of their number who earlier said an apology by North Korea for deadly provocations last year is "no precondition" for six-party nuclear talks. On the contrary, they stressed Seoul's position over the North's sinking of the Navy corvette Cheonan and shelling of Yeonpyeong Island remains unchanged. Unification Minister Hyun In-taek told KTV, "Substantive six-party talks will resume only if the North takes responsible steps" over the provocations and shows it is sincere about denuclearization. Chun Young-woo, the senior presidential secretary for foreign affairs and national security, said an apology from the North cannot solve all inter-Korean problems. "The relationship can improve only if the North both dismantles its nuclear program and changes its attitude" over the attacks. The senior official, speaking on the customary condition of anonymity, had made the offending

comment on Wednesday, immediately after U.S. Deputy Secretary of State James Steinberg met Foreign Ministry officials. The subsequent denials give rise to suspicion that ministries are at loggerheads over their strategy involving inter-Korean dialogue and denuclearization. The Unification Ministry wants to pressure the North to apologize and take practical steps toward denuclearization. That became clear when the ministry issued a statement urging inter-Korean talks on nuclear disarmament immediately after the Defense Ministry sent a message to the North proposing preliminary talks about the provocations. But the Foreign Ministry wants to deal with the two issues separately. Foreign Minister Kim Sung-hwan told reporters Tuesday, "Denuclearization talks will be held within the framework of the six-party talks," implying that the provocations are a matter for inter-Korean dialogue. (*Chosun Ilbo*, "Gov't Official at Loggerheads over N.K. Strategy," January 28, 2011)

In a speech at an East Asia forum held on the sidelines of the World Economic Forum in Davos, Kwak Seung-jun, chairman of the Presidential Council for Future and Vision, noted unlike senior citizens, China's younger generation displays little interest in North Korea. "Like other governments, China feels uncomfortable about North Korea's development of nuclear weapons ... The Chinese believe the power transfer from Kim Jong-un's grandfather (Kim Il-sung) to his father (Kim Jong-il) to him is a reality show," he said. "In addition, Chinese people's cynicism about North Koreans are changing, too, thanks to telecommunications technology." North Korean defectors have testified that a considerable proportion of North Koreans secretly tune in to radio broadcasts at night to listen to unedited stories transmitted from outside the Hermit Kingdom. Some of them even watch South Korean TV dramas on DVD at home. Those living in the North Korea-Chinese border area communicate with people outside the North through mobile phones. Kwak said North Korea fatigue among Chinese people and North Koreans' awareness of the outside world would make it hard for China to continue to support the North in the future the way it did in the past. His remarks sparked speculation whether growing North Korea fatigue among Chinese can finally lead the Chinese government to take a common step with the Seoul-Washington alliance at the UNSC with regard to the North's uranium program. {more disinfo?} (Kang Hyun-kyung, "N.K. Fatigue Growing in China," *Korea Times*, January 28, 2011)

North Korean leader Kim Jong-il was opposed to the second hereditary power succession, but had no other option in order to stabilize the impoverished communist state, Kim Jong-nam said in an exclusive interview with *Tokyo Shimbun* in a southern Chinese city earlier this month. "Even Chairman Mao Zedong of China did not carry out hereditary succession. (It) doesn't fit with socialism and my father was also against it," Kim said. "I understand that the succession is aimed at stabilizing the national system. Instability in the North will lead to instability in nearby (regions)." Pointing out the poor economic conditions in the North, Jong-nam said that North Korea should open up and focus on economic reform. "[North Korea's] currency reform was a failure. Under the current circumstances, North Korea cannot become an economic power. What the North wants is to normalize relations with the U.S. and entrench peace on the Korean Peninsula," he said. He also said, "North Korea's national power stems from nuclear weapons. As long as the confrontational situation with the U.S. continues, the

possibility is low." Denying the rumor that he is facing the threat of being assassinated after he lost favor with his father, he said, "I, at times, deliver my opinions to (my father) in person. I also have good relationships with Kim Kyong-hui and Jang Song-thaek. The rumor is groundless and I have never felt any threat." Kim Kyong-hui is Kim Jong-il's younger sister while Jang is her husband. "My heart aches when I get the news (about North Korean people.) I cannot think that their life has gotten any better," he said.

"I hope the North will stabilize and achieve economic recovery. This is my pure wish for my younger brother (Jong-un). It is not that I would challenge or criticize him." (Song Sang-ho, "Son Says N. K. Leader Didn't Want Power Succession," *Korea Herald*, January 28, 2011)

1/28/11

Pyongyang called for the two Koreas to hold talks between their respective lawmakers and resume joint tourism projects in the North in order to defuse tension. The North's committee in charge of inter-Korean affairs said, "Dialogue and negotiations are the only way for averting a war, defusing confrontation and improving the inter-Korean relations," KCNA reported. It added it is essential to hold "dialogue between the authorities with real power and responsibility." Seoul's Ministry of Unification shrugged off the proposal, calling it a "routine offensive." "We are currently discussing opening military talks and have proposed separate talks to confirm the North's willingness to denuclearize," said ministry spokesman Chun Hae-sung. (Kim Young-jin, "Pyongyang Calls for Talks between Lawmakers," *Korea Times*, January 28, 2011)

1/29/11

Instead of setting preconditions, South Korea will watch how much veracity North Korea shows toward denuclearization and the two deadly attacks last year in their upcoming talks to decide when to restart larger-scale peace talks, Seoul's foreign minister said. "While we can set the conditions for the inter-Korean dialogue, we cannot solely decide the terms for the six-party talks," Kim told the *Korea Herald*. "Each and every one of the six dialogue partners must agree on the conditions of the latter case." "North Korea must change its previous position to discuss nuclear issues only with the U.S.," he said. "Our recognition over whether or not North Korea is willing to give up its nuclear weapons will lay the groundwork for the six-party talks." Should North Korea show no genuine willingness to dismantle its nuclear facilities or admit responsibility for the attacks against Seoul, there will be "no meaningful conversation" between the two Koreas, the minister added. "The two talks will inevitably affect one another and this type of negative attitude by North Korea will naturally affect the resumption of the six-party talks," he said. "To conclude, it is not up to us, but to North Korea on how soon the six-party talks can restart." (Shin Hae-in, "Resumption of Six-Party Talks 'Fully up to N.K.: Minister Kim,'" *Korea Herald*, January 30, 2011)

"China expressed concern over North Korea's uranium enrichment during summit talks with the U.S. in Washington, but it isn't showing any interest in taking this issue to the U.N. Security Council," said a South Korean government official. "If China absolutely refuses to take this issue up with the U.N. Security Council then it should at least take other actions, such as stopping North Korea's nuclear activities." A U.S. government source told the *JoongAng Ilbo*, "Measures should be taken by the international society regarding North Korea's uranium enrichment program, including taking it to the U.N.

Security Council." (Christine Kim, "China Drags Feet on Reining in N.K. Nukes," *JoongAng Ilbo*, January 31, 2011)

1/31/11

North Korea sent South Korea a formal proposal to quickly hold talks on **all** humanitarian and other mutual issues, including the reunions of families separated by war, as the sides move to hold their first defense talks in months. "Now is the time for the authorities of the North and the South to sit face to face and have exhaustive and constructive talk," the Korea Asia-Pacific Peace Committee said in its proposal, according to KCNA. The committee "urged once again the south side to seek a sincere negotiated settlement of humanitarian issues including the reunion of separated families and relatives and **all** other issues of mutual concern," the KCNA said. A South Korean Unification Ministry official told reporters that the latest proposal appeared to carry little significance as it failed to mention the South Korean call for the North to denuclearize. South Korea says it remains careful about expanding inter-Korean exchanges unless the North agrees to discuss its nuclear arms development with the South and reaffirms its pledge to denuclearize. "We don't plan to respond to the proposal. It is no different from earlier proposals that we have dismissed as lacking substance," the official said. (Sam Kim, "N. Korea Formally Calls for Expanding Talks with S. Korea," *Yonhap*, January 31, 2011)

A confidential report from a panel of United Nations experts suggests that North Korea may have additional secret nuclear facilities, according to U.N. diplomats who spoke to Reuters on the condition of anonymity. The report, prepared for the U.N. Security Council, reinforces a widely held belief within the Obama administration that North Korea has constructed a network of nuclear sites beyond its Yongbyon plant, which U.S. nuclear scientist Siegfried Hecker visited in November. The report could also lead to calls for tighter pressure against Pyongyang, which already faces U.N. sanctions designed to choke its nuclear arms program. "At a minimum North Korea has to have a smaller facility where it tests its centrifuges," said Peter Crail, a research analyst at the Arms Control Association. "If North Korea is really going to purpose the Yongbyon plant for low-enriched uranium, it has a strong incentive to keep another plant tucked away for weapons-grade material." Based on observation of the Yongbyon facility, North Korea has seemingly abandoned its plutonium program - part of a multi-nation disarmament-for-aid deal - and emphasized its uranium program. Both plutonium and uranium offer pathways to produce a nuclear weapon. Only when Hecker visited Yongbyon, though, did U.S. officials receive confirmation of the uranium program they'd long suspected. But it remains unknown whether the centrifuges at Yongbyon are operational. "I was never able to confirm that they are running," Hecker said. "I asked two officials during my tour, and both said, 'Yes, they're making low-enriched uranium but in an observation room, insulated by windows. I couldn't see or hear anything.'" (Chico Harlan, "U.N. Report Suggests N. Korea Has Secret Nuclear Sites," *Washington Post*, February 1, 2011, p. A-7) The panel also warned the Security Council's sanctions committee that North Korea continues exchanges of expertise in the nuclear field. Although it does not name any countries, diplomats said the panel clearly had **Iran** in mind. The panel urged the council to increase the number of individuals and companies on a U.N. blacklist for supplying North Korea's nuclear and missile companies. The individuals it suggested blacklisting are connected to

Pyongyang's "military industrial complex" or procurement, the envoys said. The report makes other recommendations aimed at improving compliance with the U.N. sanctions imposed on North Korea after its two nuclear tests in 2006 and 2009. It says that "neighbors should apply more vigorous export controls," a diplomat said, adding that it was obviously referring to China. The panel also calls for greater information sharing among member states and more guidance from the North Korea sanctions committee on how to comply with the U.N. measures. Envoys said the report urges exporters of sensitive technology to "consult with export control authorities when red flags are raised" -- such as large or one-off orders for technology that could be used in a nuclear program. (Louis Charbonneau, "U.N. Urged to Tighten Grip on N. Korean Atomic Program," Reuters, January 31, 2011) Hecker told the committee that for the facility to be reconfigured to produce the highly enriched uranium needed for nuclear weapons, North Korea likely would have to import high-strength steel and aluminum alloys, valves, pumps and other materials. If reconfigured to produce highly enriched uranium, the plant could produce one nuclear bomb a year, Hecker said. The panel of experts includes representatives of the U.K., China, France, Japan, Russia, South Korea and the U.S. No date has been set for a sanctions committee meeting on the report, according to the mission of Portugal, whose ambassador heads the panel. (Bill Varner, "North Korea Has at Least One Secret Nuclear Site, UN Report Says," *Bloomberg News*, January 31, 2011) North Korea has at least one secret nuclear military facility, a panel of experts has told the UN Security Council in a report calling for tougher implementation of sanctions, diplomats said today. "The report says that the centrifuges at Yongbyon must have been operated at at least one other facility before being moved there," the diplomat added. "The equipment must have been started at least in the 1990s and had to have been made with outside help," said another diplomat, also speaking on condition of anonymity because the report has not been made public. "They said that more North Korea entities and individuals should be brought into the sanctions regime," said the diplomat. (AFP, "North Korea Has Secret Nuclear Sites, Says UN Report," February 1, 2011)

The United States said it does not have immediate plans for food aid to North Korea despite reports of the impoverished communist state suffering from severe food shortages due to poor harvests and management failure. U.S. food aid to the North was suspended in early 2009 amid heightened tensions over Pyongyang's nuclear and missile tests and controversy over the transparency of food distribution. "We have no plans for a contribution at this time," State Department spokesman Philip Crowley said. Crowley was responding to the report that North Korea recently asked for food aid through the North Korean mission in the United Nations in New York. The spokesman did not elaborate on whether Pyongyang actually asked for the food provision, just saying, "We talk to North Korea on a regular basis." Crowley took issue with the transparency in the food distribution in the North. "One of the sticking points in the past discussions we have with North Korea have always been confidence in the ability to ensure that humanitarian assistance provided get to those in need," he said. "Our policy regarding the provision of humanitarian assistance is based on the level of the need of given countries, and competing needs of other countries and our ability to ensure that the aid is reliably reaching the people in need. These are standards that we

have traditionally applied to North Korea." (Yonhap, "U.S. Has No Plans for Food Aid to North Korea: State Dept.," *North Korea Newsletter*, No. 143, February 3, 2011)

2/1/11

South and North Korea agreed to hold working-level military talks at Panmunjom on February 8, officials said, in what would be their first dialogue since the North's deadly artillery attack on a border island last November. "Both sides also agreed that the working-level military talks will involve colonel-level officers from the two sides," an official said. (Yonhap, "Koreas Agree to Hold Working-Level Military Talks Feb. 8," February 1, 2011)

South Korean President Lee Myung-bak said that North Korea should take advantage of a "good opportunity" for talks with South Korea and other nations, created after the latest U.S.-China summit, by averting the course of military brinkmanship. If so, he added, another round of inter-Korean summits may be realized. "(I) can hold a summit (with North Korean leader Kim Jong-il) if necessary," Lee said in a 90-minute talk show broadcast live on the eve of the Lunar New Year's holidays. "For North Korea, now is a good opportunity to show that it is willing to change. I have high expectations, as North Korea is facing the time for a change." (Lee Chi-dong, "Lee Says Inter-Korean Summit Still Possible," Yonhap, February 1, 2011)

KCNA: "The chairman of the Central Committee of the Red Cross Society of the DPRK sent a message to the president of the south Korean Red Cross. The message said that the DPRK proposed north-south dialogue including the authorities' talks in the joint statement of the government, political parties and organizations, a statement of the spokesman for the Committee for the Peaceful Reunification of Korea and an appeal of the Central Committee of the Democratic Front for the Reunification of Korea. There is neither reason nor conditions for the Red Cross organizations of both sides to fail to sit at a negotiating table now that the north-south high-level military talks are to open thanks to the magnanimous and positive proposal made by the Korean People's Army, the message added. Expressing regret at the south Korean Red Cross for having not yet responded to the DPRK's proposal for holding the Red Cross talks in Munsan on February 1, the message called for discussing the date of talks again and opening them at the earliest possible date. It expressed expectation that the south Korean Red Cross would seek the earliest negotiated settlement of humanitarian issues between the north and the south in response to the compatriotic decision made by the DPRK and measures taken by it out of good faith so as to ensure the restart of reunion of separated families and relatives from upcoming spring." (KCNA, "Message to President of S. Korean Red Cross," February 1, 2011)

2/2/11

Recent reports that Russia does not oppose referring North Korea's uranium enrichment program (UEP) to the U.N. Security Council (UNSC) have been confirmed to be untrue, KCNA said. During a visit to Seoul last week, Russian Deputy Foreign Minister Alexei Borodavkin told reporters that "Russia is not opposed to discussing this UEP issue at the Security Council." He also said the program is a violation of Security Council resolutions. North Korea claimed the remarks were proven to be untrue when the minister councilor of the country's embassy in Moscow met with the vice-director of the Russian foreign ministry's First Asian Department today to discuss the situation on

the Korean Peninsula and the issue of resuming stalled six-party talks. "The Russian side recognized the DPRK's right to nuclear activities for peaceful purposes and confirmed that the reports of some media that Russia is not opposed to the discussion on the issue of the DPRK's production of enriched uranium at the UNSC are not the official stand of Russia," KCNA said. (Yonhap, "N. Korea Says Russia Does Not Officially Support UN Security Council Referral of N.K.'s Uranium Program," February 2, 2011)

Former UK Ambassador to DPRK Everard: "In 2006-08 Pyongyang had two kinds of markets. The first were "official" markets that had started out many years earlier as farmers markets selling only food but have since grown into officially sanctioned permanent structures selling also a wide variety of nonfood items. The second were the unofficial and unregulated markets—colloquially known as "frog markets" because the traders would jump up like frogs and run off with their wares at the first sign of trouble—which continued to sell mostly food. The markets reintroduced into DPRK society habits of trading and an independence from state supplies, which the regime had spent decades trying to eliminate. They acted too as centers of foreign-currency trading and of information exchange. Markets were hard hit by the regime's November 2009 attempts to rein them in, but by late 2010 the official markets had largely recovered, although the frog markets had not. ... Although observers at the time of the economic measures in 2002 reported simple, open-air gatherings of traders, by 2006 Pyongyang markets were substantial structures, each usually with a brick wall surround and an arched gateway. The outside walls were between two and three meters high (too high to look over without climbing) and colored the same dull dun, or sometimes lime-washed white, as many other suburban buildings in Pyongyang. This meant that from the outside the market walls were difficult to distinguish from those of any other building and that it was easy to walk past them without realizing that a market lay within. Inside, the walls were lined with permanent and carefully constructed booths. In some of these there were permanent concrete tables on which traders would set out their wares, while in others the traders would set up trestle-table stalls, often covered with cloths. ...Pyongyang market traders were all women. The author was told by North Koreans that this was because men were banned from trading as the regime considered that they should be involved in more productive work.⁵ On 1 December 2007 the regime sought to ban women below 50 years of age⁶ from working in markets, but this decree held sway for less than a month before it was widely ignored, and women of all ages again appeared behind the stalls. ...These markets are sometimes termed "farmers markets," but by 2006 this term was misleading. Although the markets seem to have begun as selling points only for foodstuffs, the 1 July 2002 economic measures permitted "general markets," and by 2006 these were selling a great variety of consumer goods. These included domestic wares (particularly cheap plastic household items such as plates and mugs), stationery items (including pens, pencils, ink, and exercise books), clothing of many varieties ranging from cheap shirts, skirts, and trousers through elaborate dresses and including modest beachwear, and electrical goods including flashlights and lightbulbs (the author once saw an electric organ for sale).⁹ The great majority of nonfood items seemed to have been made in China but luxury goods from elsewhere including DPRK-produced wine¹⁰ and Scotch whisky (sold more cheaply than in the UK) were widely available. ... With the exceptions of Tongil Market and Central District Market, which stand proudly in their

own clearly marked white buildings with blue roofs, they were not visible from the street and were often concealed behind residential blocks. (It is unclear why two markets were built in visible locations and all the others hidden.) Often they could only be located by following the streams of people who came in and out of them. But in areas with which the author was familiar, there seemed to be at least one official market in each *guyok* (district) of Pyongyang. As there are 19 *guyok*, this seems likely to have been a minimum number for the official markets of the city, and there may have been many more. In 2006–08 an unofficial frog market sprawled out from every official market known to the author. There seemed to be perhaps another one or two frog markets, of varying sizes, in the same *guyok*. This suggests that there were several times more unofficial markets than official ones. ...There seems to have been an aborted attempt to throttle the markets in November 2008, but the regime struck in earnest on 30 November 2009, forcing through a series of measures¹⁸ that had the effect of closing markets and most shops. Almost as soon as these measures were promulgated, the regime started to backtrack in the face of popular discontent. By February 2010 the official markets had started to reopen, and by late March 2010 they seem to have been functioning much as before. ...The frog markets have, however, never fully recovered from the crackdown of late 2009. They have returned to the outskirts of Pyongyang, but there are now significantly less of them in the city center. Sites that for years before 2009 were full of unofficial traders remained empty in December 2010. ...Many activities of the market were directly organized by the authorities. For example, the author was once able to observe a market at closing time. The market staff bustled around shouting at the traders to close up shop while the traders, meekly and silently, bundled up their wares in the sheets upon which many of the items were displayed and carried them to storage compartments in the market wall that were normally kept closed. The whole operation was well organized, relatively quiet, and evidently well practiced. On another occasion, the author witnessed a political study session for the market women, at which the market officials had brought them all out of the market building to sit on nearby ground. When the market near the May Day Stadium was extended in 2007–08, the new, longer wall was built not ad hoc by the market traders, but in a planned and organized way by a construction team. ...Most markets had price boards—typically simple wooden boards painted white with the names of products up in black—prominently displayed at their entrances. These would list the prices that could be charged for various products (with the exception of rice, the sale of which was illegal although widespread). In the author’s experience, these prices were broadly respected. Thus the majority of products were sold at fixed prices—the haggling so common in markets elsewhere in Asia seemed rare..Despite probing, the author was not able to establish whether the traders were selling on their own account or acting on behalf of organizations (his contacts were shy of discussing the point). Some of the tobacco sellers told him that their families had grown the weed (which can often be seen on private plots in the countryside), but it is unlikely that the same applied to the sellers of fruit or of spices, which were being sold in larger quantities than would have been manageable on a private plot. It may have been that the stalls were rented by collective farms directly, or by trading companies that had arisen to meet market needs, or both. Some market women had the sunburned faces of collective farm workers while others seemed to be fair-skinned urban citizens.²⁶In front of the gates of all markets known to the author gaggles of women money

changers would stand, holding bulging black bags and waiting for customers. Compared with money changing in other Asian countries, the operation was low key—the women were shy of foreigners, and the author never saw or heard them advertise their business. But this was open currency trading, and the women never appeared to be disturbed by the authorities. (With the close official scrutiny of markets described in the previous section, this was surprising and significant.) ...Immediately outside the official markets as well as in many other locations around Pyongyang, there were regular, unofficial frog markets. Unlike the official markets with their compounds, guards, and market officials, frog markets appeared to have no administrative structure. They did, however, show a high degree of self-regulation: women selling each kind of product would gather in one section of the market, and the author once overheard one seller asking another, after a police raid had temporarily disrupted the market, where the apple sellers were to go. Prices too were generally fixed (perhaps by consensus among vendors). No price board was displayed, but it was common for vendors to indicate their prices on scraps of brown paper stuck onto their baskets. The author did not witness haggling in the frog markets, but, unlike the official markets with their fixed (and carefully enforced) opening and closing times, frog markets seemed to stay open well into the night. Frog markets varied greatly in size. Some were a line of perhaps a dozen women sitting or squatting along a particular stretch of roadside selling wares, while others, comprising hundreds of sellers, sprawled over expanses of wasteland outside the city center. One of the largest was on open ground just down the road from Tongil Market itself. Unlike the official markets, the frog markets sold mostly foodstuffs, both raw and cooked. The cooked foods were generally of a high standard and inexpensive; a *namsaebbang*—a bread roll stuffed with vegetables—sold for 100 *won*. Usually the customer carried the food away, but some food stalls had developed into small, open-air restaurants where customers could use stools and small tables. The author noted one stall that in 2006 sold just hot food, then started also to sell mugs of beer poured from bottles bought off site, and by 2008 was pouring obviously home-brewed beer from flagons—an interesting example of vertical integration. Homemade snacks were common, and by 2008 homemade ice cream was appearing. By 2008 too, service stalls were appearing, repairing shoes and fitting batteries into wristwatches. Some women sold small items of bric-a-brac and others sold battered secondhand books (on politically neutral, technical subjects). One man sold puppies (15,000 *won*)—it was unclear whether these were meant as pets or for the pot. Like the official markets, the frog markets were staffed almost entirely by women. (The author did however occasionally see men selling in them, and the service stalls—for shoe repairs, for example—were mostly staffed by men.) The author had the strong sense that the women in frog markets were trading on their own account. The quantities of food they sold were not large and could well have been prepared in domestic kitchens. Also, frog market women tried as hard to sell their wares as sellers in any other Asian market, and harder than those in the official markets. ...It was illegal to sell rice, and the author never saw this for sale inside an official Pyongyang market. But it was sold in the frog markets, sometimes out of sacks clearly marked “Republic of Korea” or “World Food Program.” The author occasionally purchased some to check that it genuinely was on sale and was told by Korean friends that it was of poor quality (it was probably adulterated). From time to time the women selling rice would disappear for up to a week and then return.The 30 November 2009 measures on

markets have now almost entirely been set aside, and those associated with those measures have suffered for their failure. (John Everard, "The Markets of Pyongyang," KEI Academic Paper Series, 6, 1 January 2011)

2/3/11

North Korea has proposed holding parliamentary talks with South Korea in order to soothe tensions between the two divided countries. KCNA said the Supreme People's Assembly sent a letter to the South's parliament February 1, calling for talks between lawmakers of the two countries. "The letter is (our) proactive volition to soothe acute conditions on the Korean Peninsula and improve relations between the South and the North," the KCNA reported. (Yonhap, "North Proposes Parliamentary Talks with S. Korea," February 3, 2011) KCNA, "The Supreme People's Assembly of the DPRK Wednesday sent the south Korean parliament a letter proposing parliamentary contact and negotiations. The proposed contact and negotiations were clarified in the Central Committee of the Democratic Front for the Reunification of Korea's appeal to all Koreans. The letter noted that the DPRK proposed contact and negotiations of lawmakers between the SPA and the south Korean parliament out of the steadfast will to defuse the acute situation of the Korean Peninsula, improve the north-south relations and open up a new phase for peace and reunification. Any member of the Korean nation should never turn aside from the present grave situation, it noted. The parliament representing the people's mindset should lend an ear to the voices of all the fellow countrymen desirous of the improved north-south relations and their dialogue, the letter said, adding: It is quite natural for the parliaments of the north and the south to sit face to face to discharge their responsibility and duty now that military talks are to be opened between the two sides. The letter expressed hope that the south Korean parliament would positively respond to this sincere proposal and appeal. Meanwhile, the Korean Social Democratic Party and the Korea Asia-Pacific Peace Committee, the National Reconciliation Council, the North Side Committee for Implementing the June 15 Joint Declaration and other public organizations and religious organizations of the DPRK sent letters calling for response to the proposed north-south dialogue to the ruling and opposition parties and organizations of south Korea." (KCNA, "DPRK Proposes Inter-Korean Parliamentary Contact," February 3, 2011)

2/4/11

South Korea and the United States plan to expand a program that simulates removing weapons of mass destruction (WMD) in this year's joint military drills to deter threats from North Korea, military sources here said. Forces of the two countries have annually carried out joint war games, with last year's 11-day Key Resolve and Foal Eagle exercise involving some 18,000 American troops and about 20,000 South Korean soldiers. Seoul and Washington claim the drill is a routine exercise to improve their combined military power, while North Korea insists it is a precursor to invasion. "During the Key Resolve joint drill to be held in March, the two nations' forces will jointly conduct exercises to remove North Korea's nuclear weapons and WMDs," a military source said, asking not to be identified. "Although this exercise first began in 2009, (the military) will strengthen the program this year." (Yonhap, "'S. Korea, U.S. to Expand Anti-WMD Program in Joint Drills,'" *Korea Times*, February 4, 2011)

- 2/4/11 The Russian foreign ministry said in a statement that North Korea's reported enrichment capacities would violate existing Security Council resolutions and require further international inquiry. "We see no basis for opposing a Security Council discussion of this aspect of the Korean peninsula nuclear problem," the Russian statement said. "We respect the opinions of other permanent members of the Security Council on this issue," the statement added. (AFP, "Russia Backs U.N. Debate on North Korea," February 4, 2011)
- 2/6/11 North Korea and China are expected to sign an agreement on joint development of the North's underground resources in the middle of this month in Beijing, a source here said. "It has been learned that Pyongyang and Beijing are expected to conclude a deal to jointly develop North Korea's underground resources on February 15, one day before the birthday of North Korean leader Kim Jong-il," said the source, noting the accord will be signed in Beijing between China's Commerce Ministry and the North's Joint Venture Investment Committee. "Specifically, the two sides may agree to jointly develop natural resources such as gold, anthracites and rare earths under the bilateral deal. Following the agreement, the two countries are likely to establish a joint venture company in Hong Kong," said the source, asking to remain anonymous. Trade between North Korea and China reached US\$3.06 billion in the first 11 months of last year, which marked a rise of 9.6 percent from the 2008 annual volume of \$2.7 billion. Mineral resources like coals and iron ores account for over 30 percent of the North's exports to China. (Yonhap, "N. Korea, China Likely to Ink Deal on Joint Resource Development," February 6, 2011)
- Candidates backed by the ruling Democratic Party of Japan have lost in both the Aichi gubernatorial and Nagoya mayoral elections, according to Kyodo projections, dealing a fresh blow to embattled Prime Minister Kan. Misono Shinichiro, 57, a former bureaucrat in the internal affairs ministry who was backed by the DPJ, lost in the five-candidate gubernatorial race. The DPJ's coalition partner, the People's New Party, and the Social Democratic Party also backed Misono. Ishida, 65, a former DPJ lower house member backed by the DPJ, the PNP and the SDP, also lost in the four-candidate mayoral race. (Kyodo, "DPJ-backed candidates lose in Aichi, Nagoya elections," February 6, 2011)
- 2/7/11 *Rodong Sinmun* bylined article: "The politicians in the north and the south should serve the nation before seeking the interests of class, social standings and political factions. No problem will be insoluble between the north and the south if the politicians buckle down to the work from the stand of giving priority to the nation in the spirit of "by our nation itself" to realize the nation's wish for reunification and interests. ...An urgent task facing the politicians in the north and the south at present is to hold contact and dialogues. The north-south high-ranking military talks are due to open soon and civilians of different circles are becoming increasingly vocal for dialogue. It is quite unreasonable for the politicians to remain indifferent to this situation. They **should seek active bilateral and multilateral negotiations** to fulfill their historical mission and duty before the times and the nation. There is no obstacle in the way of contacts and dialogues between them. More contacts and dialogues would help deepen understanding and confidence, contributing to the improved north-south relations."

(KCNA, "All Politicians Should Fulfill Responsibility and Role for Nation, February 7, 2011)

North Korean defectors settled in South Korea are sending some US\$10 million a year to their families back home, it was reported on Sunday. The amount is expected to grow as there are more than 20,000 North Korean defectors in the South and the number is increasing, a government intelligence official said. Now the government is investigating what the effects of these growing remittances may be. There could be positive effects. A Unification Ministry official said, "As North Korean defectors become better off in South Korea, expectations may rise among North Koreans about life in the South." One defector said people in Chongjin, North Hamgyong Province believe that families of defectors there are better off because some members looked beyond their country and ventured outside its borders. In the past, families of defectors were looked down on, but no longer. More and more North Koreans would like to have relatives who fled across the border as they see money flowing in. "The families of North Korean defectors living near the Chinese border bear a close resemblance to Korean Japanese who settled in the North during the 1970s and 80s," one defector said. The Korean Japanese who settled in the North starting in 1959 were looked down on in the 1960s but became objects of envy when they received money from family members in Japan starting in the late 1970s. At the same time there are concerns that the increased money wired by defectors back to the North could undermine international sanctions against the communist country. North Korea earned around \$300 million a year by selling seafood and sand to South Korea, but all trade was suspended after the sinking of the Navy corvette Cheonan last year. And tours to North Korea's scenic Mt. Kumgang resort, which generated \$500 million in revenues over 10 years, were halted in July 2008. A South Korean government source said, "We cannot rule out that money is being wired to North Korea by pro-North factions in the South who are aware that it is difficult to crack down on money transfers." Also, a growing number of North Korean spies posing as defectors are being caught. But one staffer at a group supporting North Korean defectors said, "Most money transfers by defectors amount to W2 million to W3 million (US\$1=W1,117), which are relatively small amounts, and it goes to ordinary North Koreans and not the regime, so there are probably more benefits than negative effects." The money is transferred via a chain of middlemen in China and the North. Defectors wire money to bank accounts held by brokers in Dandong or Yanji, China, who charge a 30 percent commission and wire it to North Korean brokers with instructions to deliver it to specific families. Many of these brokers in the North are said to be related to the Chinese middlemen. Once payment is completed, brokers confirm it by phone. Inevitably not all brokers are trustworthy and payments can get lost, especially when large sums are involved. Chosun Ilbo, "Concern As Remittances to North Grow," February 7, 2011)

Thirty-one North Koreans who were on a boat that crossed the inter-Korean sea border near Yeonpyeong Island in the Yellow Sea February 5 will be repatriated, a South Korean military official said. The North Koreans departed from the village of Tongpo-ri in Kangryong County, South Hwanghae Province. The five-ton wooden boat with no nameplate reportedly drifted to South Korean waters due to strong currents. Seoul's joint interrogation team questioned the 31 North Koreans. A few of them initially expressed intent to defect but the final confirmation suggested that all 31 seek to

return home. A South Korean official said, "Individual investigations on the people could end Monday night," adding, "As soon as our probes end, we plan to repatriate all 31 back to the North." (*Dong-A Ilbo*, "31 Sea Border-Crossing N. Koreans To Be Repatriated," February 8, 2011)

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North Korean deputy ambassador to the UN, Han Sang-ryol, requested U.S. food aid last month through Robert King, the U.S. special envoy for North Korean human rights, a diplomatic source told *JoongAng Ilbo*. "Ambassador Han met King in New York on January 14 and requested large-scale U.S. food aid for the North," said the diplomatic source in Washington. It is the first time in years that a behind-the-scenes diplomatic discussion between Pyongyang and Washington on aid has come to the surface. U.S. food aid to the North has been suspended since March 2009 after the Kim Jong-il regime rejected a U.S. proposal to increase the number of Korean-speaking food-distribution monitors to make sure aid was getting to the public. Han told King that the North was willing to enhance international monitoring of food aid "as much as the U.S. wants," the source said. At a brief media conference after his meeting with Wi Sung-lac, King did not elaborate on the purpose of his visit or his discussion with the South Korean envoy, saying only it was "very good, very serious and a very thoughtful discussion." When asked whether food assistance to the North was on the agenda, King said they "talked about a lot of issues." "[It is] extremely important for the U.S., as we pursue our policies toward North Korea, to coordinate with the government of South Korea," King said. "We have a close working relationship, we are able to work together well on issues, we share our analysis, we share our ideas in terms of making progress." (Kim Jung-wook and Moon Gwang-lip, "Pyongyang Asks U.S. to Restore Food Aid: Source," February 9, 2011)

The South Korean government's announcement that it agreed in principle to North Korea's proposal for Red Cross talks was the result of a judgment that it would be difficult to ignore the proposal itself in the atmosphere of dialogue generated after last month's China-U.S. summit. Former Vice Unification Minister Rhee Bong-jo said it was an unavoidable choice in a structure in which the international community would blame whichever side refused a dialogue proposal. The reunion of separated families, the agenda of the Red Cross talks, is also a matter over which a number of South Koreans hold great expectations. Some analysts have also stated that the acceptance of the Red Cross talks was a strategic move intended to lead a change in North Korea's attitude regarding the Cheonan and Yeonpyeong Island. The South Korean government had indefinitely delayed convening the Red Cross talks, originally scheduled for November 25, in the immediate aftermath of North Korea's shelling of Yeonpyeong Island, and flatly rejected two North Korean proposals for Red Cross talks this year, calling them a veiled North Korean peace offensive. (Kwon Hyuk-chul and Son Won-je, "Inter-Korean Working-Level Talks Collapse," *Hankyore*, February 10, 2011) A Cheong Wa Dae official expressed skepticism over an early resumption of inter-Korean military dialogue. "The North appears to have tested how determined the South is in sticking to principles over the Cheonan and Yeonpyeong issues," the official said asking for anonymity. "It will likely take some time for the military dialogue to resume." As for inter-Korean Red Cross talks, he said the government won't be in a hurry to meet with the North. "Though Red Cross talks are separate matters, they will be influenced by inter-Korean relations." Earlier, the South agreed "in principle" to

hold a Red Cross meeting with the North to discuss humanitarian issues. (Lee Tae-hoon, "N. Korea Refuses More Military Talks with S. Korea," *Korea Times*, February 10, 2011)

The odds of North Korea reaching a level of prosperity on a par with industrialized nations in just a decade would seem to be remote. But that is precisely what North Korea is setting out to do with its 10-year State Strategy Plan for Economic Development trumpeted Jan. 15 by the state-run Korean Central News Agency. It is the first long-term economic goal to be announced by the reclusive country in at least two decades. Nevertheless, Pyongyang apparently aims to attract foreign capital to pave the way for a succession of power to Kim Jong Un, son of current leader Kim Jong Il. Many experts here on North Korea have noted that the plan lacks specifics. Some view the program as just a collection of new promises aimed at glossing over the regime's failure to fulfill previous pledges. Cho Bong-hyeon, a researcher at South Korea's Industrial Bank of Korea Economic Research Institute, noted that the plan focuses on 12 policy areas. These include development of the agricultural sector; production of 30 gigawatts of electricity; construction of ports, airports and 3,000 kilometers of highway, as well as construction of commercial distribution centers in five locations, including the economic deregulation zone of Rason, on North Korea's northeastern coast, and Sinuiju, a commercial city in the country's northwest. The total investment in the projects is put at \$100 billion (about 8.2 trillion yen). Pyongyang intends to raise funds through foreign investment by exempting foreign businesses of corporate taxes and providing government assurances to businesses. "North Korea needed to present some form of future vision in pushing forward the hereditary succession," said one South Korean government source. "But whether that (vision) can be achieved is a different matter." Cho agreed that North Korea "will not likely be able to gather the necessary funds on its own." He said, "With one year left before Pyongyang opens the gate to a strong and prosperous nation, it still does not have any strong achievement that it can boast about to the public. So it had no choice but to bring up a new goal." Dong Yong-sung of the Samsung Economic Research Institute said the latest economic plan appears to be an attempt to create "a sense of relief" among the masses as the government prepares a new leadership. "But the contents are basically a rehashing of old targets and goals. The plan underlines how few cards Pyongyang has in rebuilding its economy," Dong said, adding that the introduction of 2020 as a target year was simply pushing back the deadline. (Inada Kiyohide, "N. Korea Tries to Reinvent Itself," *Asahi Shimbun*, February 8, 2011)

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The two Koreas failed to narrow their differences at their working-level military talks February 8 and will hold more talks tomorrow at the inter-Korean border village of Panmunjeom, Seoul's Defense Ministry said. Holding four rounds of discussions from 10 a.m. through 7:10 p.m., the two sides struggled to agree over the agenda and other details concerning the high-level meeting, but made no progress, Seoul officials said. "The South Korean side stressed that discussions on all the other issues are possible after 'responsible measures' by the North concerning the sinking of the Cheonan and the artillery attack on Yeonpyeong Island," said the ministry in a press release. **"We made clear our position that should there be satisfactory results regarding the two incidents at the high-level talks, we can fully discuss other issues including**

the ones North Korea has raised." However, the North claimed that the proposal to deal only with the two incidents is tantamount to refusing to hold the high-level talks, saying that the agenda should also include measures to address military tensions on the peninsula. (Song Sang-ho, "Two Koreas Fail to Narrow Differences, Agree to Hold Another Talk Wednesday," *Korea Herald*, February 8, 2011) North Korean military officers abruptly walked out of the first official talks with rival South Korea in months, dashing hopes for eased tensions after a deadly artillery attack in November increased threats of war on the peninsula. In a sign of how troubled the relationship is, Wednesday's meeting was sunk because the two sides disagreed about what should be on the agenda of their next talks - what many had hoped would be the first high-level defense talks in years. On Wednesday, South Korea argued the high-level talks should focus on two attacks against it last year, while the North Koreans demanded discussion of other military issues as well, South Korea's Defense Ministry said in a statement. (Hyung-jin Kim, "2 Koreas End Defense Talks without Progress," Associated Press, February 9, 2011) "Our stance is that the door for a high-level military meeting is still open, but such dialogue will be possible only if North Korea takes responsible measures for the two military attacks last year, said Col. Moon Sang-gyun, the South Korean chief delegate for the inter-Korean talks. "If North Korea agrees on the agenda and the rank of representatives proposed by us, we will hold a high-level meeting at any time," Moon said. South Korea wants top military officers from the two sides, not a ministerial level, to head the higher-level talks, but North Korea suggested that such talks be led by deputy minister-level officers. Moon said that since North Korea has 12 vice minister-level defense officials, South Korea doesn't see them as figures who can take responsibility at a high-level meeting. South Korea wanted the agenda to include an explicit North Korean apology in connection with the two military provocations last year. However, the North Korean delegates didn't bend on the South Korean request, reiterating its own claims over the two attacks, Moon said. (Yonhap, "High-Level Talks Possible Only If Pyongyang Accepts Seoul's Conditions," February 10, 2011) "We are keeping our door open. We will wait and see," Unification Minister Hyun In-taek told reporters when asked to comment on the prospect of inter-Korean relations after the two-day colonel-level talks ended with no agreement. Hyun, who did not elaborate, was speaking on the sidelines of a ceremony for the North Korean Refugees Foundation in Seoul where he gave a speech on the situation of defectors here. In a bulletin carried by KCNA, the North's delegation to the talks said February 10 its South Korean counterpart "unilaterally walked out" after refusing to compromise on ways to set up higher-level defense talks. "The army and people of the (North) do not feel any need to deal with the group of traitors any longer now that they do not wish to see the north-south relations improved but totally reject the dialogue itself," the North said in the lengthy bulletin. "We will have to keep watching since the preliminary military talks broke down," Hyun said, referring to the meeting early this week that sought to work out details for a higher-level one. In Washington, U.S. State Department spokesman Philip Crowley told reporters, "Clearly, having North Korea walking out puts them in the category of a missed opportunity." Hyun, the South Korean minister, added he believes foot-and-mouth disease (FMD) has broken out in the impoverished neighboring nation and said he will "monitor" the situation before his side can consider offering help. "We'll have to see how serious it is," he said when asked if

South Korea has intentions of offering help. (Sam Kim, "S. Korea 'Keeping Door Open' to N. Korea despite Failed Talks: Minister," Yonhap, February 10, 2011)

ROK MND: "On February 9, North and South Korea held a second round of working-level talks at the Panmunjom Peace House to arrange the "North-South Korean high-level military talks." The talks, however, broke down without reaching an agreement. Two meetings were held; the first meeting in the morning and second one in the afternoon. Our delegation clarified our agenda again and **reiterated that the South was willing to negotiate and reach an agreement only if the North apologized for an artillery attack against Yeonpyeong Island and the sinking of a South Korean warship, Cheonan.** North Korea repeatedly urged the South to terminate all military actions caused by the sinking of Cheonan and the artillery barrage against Yeonpyeong Island arguing that the South's continued military actions may provoke the North to retaliate, escalating tensions on the Korean peninsula. The talks on Wednesdays ended abruptly at 2:30 PM when the North Korean delegation walked out of the meeting room. The North denounced the South for not changing its hard-line stance towards the North. The North argued that it is not involved in the sinking of the warship. North said that the Cheonan incident is a plot devised the U.S. and that the South used it to justify its hard-line policy towards North Korea. North Korea added that the Yeonpyeong artillery exchange was provoked by the South. Our delegation indicated that it has become clear that the North is responsible for the torpedo attack against the warship and the artillery attack on Yeonpyeong Island. The South rebuked the North for attacking its own people of Korea and refusing to acknowledge their military provocation, which killed innocent people and caused massive property damage. Our delegation insisted that we are willing to hold the high-level military talks at any time if the North agrees to accept our agenda and stance." (Ministry of National Defense, "North-South Korea Preliminary Military Talks Break down without Agreement," February 9, 2011)

KCNA: "The inter-Korean high-level military talks aimed at wiping out the mistrust and hostility and preventing confrontation and clash between the north and the south failed to open after all. The north side delegation to the north-south military talks Wednesday issued a communique laying bare the true nature of the persistent confrontation policy of the south Korean group of traitors as revealed through the inter-Korean dialogue. According to the communique, preliminary talks for the opening of the full-dress talks took place in Panmunjom on Tuesday and Wednesday. They were adjourned seven times, wasting time, and ended in rupture. **The north side at first proposed "On clarifying a view on the 'Cheonan' Case and the Yonphyong Island Shelling and defusing military tension on the Korean Peninsula" as the agenda of the high-level military talks.** The puppet forces, however, **challenged the proposal by insisting on adopting "Responsible measures over the sinking of 'Cheonan' by an explosion and the shelling of Yonphyong Island and giving assurances against additional provocations and sincere approach towards denuclearization" as the agenda of the talks.** In the course of the preliminary talks they were at a loss how to deal with the north side's just compromise suggestion and perfect logic. They unilaterally insisted on adopting "responsible measures" over the above-said incidents and "giving assurances against additional provocations" as the

agenda of the talks till the last moment the talks broke down. They thus revealed their sinister intention to use the north-south high-level military talks as another theatre of inter-Korean confrontation. Meanwhile, **they let media float the story that they strongly demanded the north make "apology" for the two incidents and take "responsible measures"** over them at the talks. As for the north side's proposal for opening the high-level military talks, they came out with an irrelevant proposal for holding the talks between the minister of the People's Armed Forces and their minister of Defense or those between the chiefs of the General Staff of the two sides, departing from their earlier stand. When the north side charged that their unilateral attempt to change the level of the talks, given that an agreement was reached on holding high-level military talks, was an abnormal and immoral behavior, they made an unreasonable excuse, saying "a vice-minister of Defense of the south side is not a high-level person in military authority." They thus threw another hurdle in the way of reaching an agreement. When the north side urged the south side to clinch the discussion of technical procedures, even sitting all night, and open the full-dress talks in 3-4 days at the preliminary talks, they asserted their opening around late in February under the pretext of the January 15th of the lunar calendar, the folk holiday, and the time to prepare for the talks. They deliberately put off the time for the resumption of the north-south dialogue under this or that pretext, prompted by the foolish calculation that in case late February is fixed as the time for those talks when Key Resolve and Foal Eagle joint military exercises targeting the north are slated to take place, the responsibility for the rupture of the talks can naturally be shifted onto the north side. The communique went on: The puppet forces ran the whole gamut of obstructions and finally made the north-south military dialogue abortive though it was arranged with much effort thanks to the DPRK's proposal for wide-ranging dialogue and negotiations. This was prompted by their sinister scenario to torpedo the processes for peace and stability on the Korean Peninsula and the improvement of the north-south relations and stick to their avowed policy of confrontation against the DPRK to the last. They responded to the Korean People's Army's proposal for the talks not out of their true interest in the dialogue but prompted by their ulterior design to dodge the blame for being an arch criminal going against the wishes of the nation and the trend of the times and link the "Cheonan" incident and the Yonphyong Island shelling incident to the DPRK come what may. It is the ulterior intention of the group of traitors to reject the north-south dialogue itself, while pretending to be interested in the dialogue, in a bid to bar the six-party talks from being resumed and stem the trend of dialogue of the countries around the Korean Peninsula and keep the phase of confrontation and clash going on. Through this they seek to tone down the public voices at home and abroad demanding them make a switchover in their vicious policy of confrontation towards the DPRK. The puppet forces did not hesitate to commit hoodlumism unprecedented in the history of the north-south talks. They unilaterally walked out of the conference room, finally turning down the just assertion of the north side for defusing the tensions and refraining from military actions which may be regarded as provocations by each side, and breached even the elementary courtesy of seeing the delegation of the other side off. **The army and people of the DPRK do not feel any need to deal with the group of traitors any longer now that they do not wish to see the north-south relations improved but totally reject the dialogue**

itself." (KCNA, "S. Korea Blasted for Making Military Talks Abortive," February 10, 2011)

South Korean officials who had been involved in the inter-Korean defense talks last month were recently investigated for allegedly leaking too much information to the media and thereby offending the North Korean delegation, a source here said March 1. The government investigation into about 30 officials belonging to the defense and unification ministries here appears to have been conducted to prevent a similar situation should the two Koreas overcome an ongoing opinion divide and decide to hold further dialogue. The Defense Ministry "conducted a tough investigation into the mobile phone records and activities of about 20 people who had either taken direct part in the talks or monitored them through closed-circuit television," the source said on the condition of anonymity. The Unification Ministry appears to have conducted similar investigations into nine of its officials, the source added. Inter-Korean talks are usually broadcast live to and monitored by several security-related bureaus here. (*Korea Herald*, "Seoul Officials Probed over Inter-Korean Defense Talks Leak," March 2, 2011)

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President Barack Obama received a special briefing on North Korea's weapons of mass destruction. (Yonhap, "U.S. Dismisses Bilateral Talks with Pyongyang," *JoongAng Ilbo*, February 24, 2011)

Crowley: "We certainly do believe that North Korea has to take responsibility for its recent actions, whether it's the sinking of the *Cheonan*, the shelling of Yeonpyeong, and then demonstrate that it is going to take affirmative steps to reduce tensions in the Korean Peninsula. This was an opportunity to do that, and clearly, having North Korea walking out puts them in the category of a missed opportunity." (Assistant SecState Philip Crowley, DoS Daily Briefing, February 9, 2011)

Michael McDevitt: "A KCNA release on April 21, 2010 discussed a North Korean Foreign Ministry memorandum on nuclear weapons. The report includes the statement that, "The mission of the nuclear armed forces of the DPRK is to deter and repulse aggression and attack on the country and the nation till the nuclear weapons are eliminated from the peninsula and the rest of the world. The DPRK has invariably maintained the policy not to use nuclear weapons against non-nuclear states or threaten them with nukes as long as they do not join nuclear weapons states in invading or attacking it." If we accept this statement at face value, it sheds some light on North Korea's perception of how it understands the deterrence dynamic on the peninsula. North Korea sees its nuclear capability as a deterrent against an attempt to overthrow the regime through an invasion. From Pyongyang's perspective a CFC-led invasion may not seem farfetched. Over the years, the allied war plan in the event of an attack on South Korea from the north (OPLAN 5027) which apparently makes provisions for a North Korean regime change, has been openly discussed or leaked to the press, and we can only guess what information and opinions North Korea has gathered through espionage. In the wake of the *Cheonan* sinking in March 2010, South Korean President Lee Myung-bak announced a new South Korean approach to deterrence called "proactive deterrence." In a speech to the nation, he indicated that

the ROK would no longer depend upon a “passive” deterrent, but instead would retaliate in kind for North Korean provocations. But, this change in the ROK’s declaratory policy did not immediately translate into any new reactions to North Korea provocations, and as a result, may have undercut the new policy in the eyes of Pyongyang because of the cautious and predictable response to the sinking. The alliance response to the *Cheonan* sinking was a page from its familiar play-book: a call for more sanctions, pressure from the UN, and a show of strength in the form of an alliance exercise. Proactive deterrence faced another test on November 23, 2010, when North Korea used the pretext of a routine ROK Marine Corps firing exercise to bombard Yeonpyeong Island, killing two ROK marines and two civilians. The Marines did respond with counter battery fire but no further action was taken. Responding to public outrage over this response, **President Lee again modified Seoul’s declaratory deterrence policy and explicit rules of engagement by shifting it from “controlled response” to “manifold retaliation.”** A month later, in another speech, Lee said, “fear was never helpful in preventing war. If we are firmly determined to brave any risks, we can fend off any emerging threats.” This change in declaratory policy has potentially profound implications because it signals Pyongyang that Seoul is now equally willing to run the risks and face the possibility of escalation. In the wake of the next challenge from North Korea—and it is a safe bet that one will occur, given the North’s history of provocations and the recent trend—a response that is perceived as proportional and “in kind” would have the best chance of not leading to escalation. But this still entails significant risk, especially if the specific provocation is related to Kim Jong-un, the presumed successor to Kim Jong-il. An orderly succession process is the regime’s current top priority, and anything that is perceived to upset that will not be tolerated. President Lee’s new policy is courageous, but is also very dangerous because it depends upon the good offices of third parties (e.g. China, Russia) to control escalation if an ROK response triggers a North Korean counter response—which side would be the first to call a halt? It is worth wondering whether, if the passions of the moment in South Korea cool, this new retaliatory policy is politically sustainable. The damage that North Korean long range rockets inflicted on Yeonpyeong was a real-world demonstration of Seoul’s vulnerability—which presumably was at least one reason why the attack was ordered. ...Since President George H.W. Bush’s direction, there have been no nuclear weapons in South Korea since the early 1990s. The April 2010 Nuclear Posture Review makes clear, however, that the U.S. depends on, “...the capacity to re-deploy non-strategic systems in East Asia if needed in times of crisis.” These explicit comments in an official statement of U.S. policy are clearly aimed at North Korea. The language is clear: the U.S. has both the capacity and policy in place to reintroduce tactical nuclear weapons to the Korean peninsula, and the aircraft to deliver them, should the situation dictate. This is an important aspect of extended deterrence as it applies to potential North Korean use of a nuclear weapon. ...It is worth wondering if President Obama’s vision for the eventual elimination of nuclear weapons has raised doubts in Pyongyang regarding the credibility of America’s nuclear umbrella. Does Kim Jong-il doubt that Obama would ever actually direct the use of a nuclear weapon? Does the increasing salience of conventional weapons in America’s extended deterrent suggest to him that a U.S. nuclear response is not credible? Perhaps. One way to strengthen extended deterrence would be to give Pyongyang a dose of its own bloodcurdling rhetoric. President Obama could give a

speech explicitly stating that if North Korea ever uses a nuclear weapon against South Korea, the United States will retaliate with a nuclear weapon, and will hunt down and kill or capture Chairman Kim and every member of his national security decision-making team. Whether this new more aggressive stance will have the desired effect and make Kim Jong-il more risk-averse remains to be seen, as does the willingness of alliance leaders to actually go through with a stronger - and riskier - response to a provocation. What the alliance can do is to continue to employ a full range of diplomatic and economic responses. Nevertheless, so long as these traditional methods do not have whole-hearted support from China the retaliatory effect will be limited. To solve this problem the alliance must somehow persuade Beijing that its security concerns are understood and will not be compromised if actions Beijing takes to punish North Korea destabilize the Kim regime. In other words, the allies should attempt to assuage Beijing's strategic concerns regarding U.S. presence north of the DMZ. Washington and Seoul can also implement - but should not state - a more negative assurance to China. In response to the shelling of Yeonpyeong Island, for example, the allies conducted drills in the West Sea (or Yellow Sea), which China has warned it considers a sensitive area. These drills were a tangible reminder of the "costs" Beijing assumes because of its tolerant approach to North Korean behavior. Finally, we should not lose sight of the fact that being reluctant to retaliate and perhaps trigger an escalatory cycle that could lead to war has been a successful strategy against a second North Korean invasion. South Korea has avoided war, and as a result has flourished politically and economically. In retrospect, the frustration of not being able to militarily punish North Korea for its hostile acts has been the price that was paid for the overall success of South Korea and its current prominence in the world. Ironically, by attempting to deter North Korean provocations, the new approach could make war more likely if it turns out that Kim Jong-il has a higher tolerance for risk than President Lee believes. If over time, alliance managers conclude that restraint is more sensible than retaliation, the North should not be allowed to conclude that this "turning the other cheek" to a hostile act implies a weakness in the ability of the alliance to defeat an invasion." (Michael McDevitt, "Deterring North Korean Provocations," Brookings Northeast Asia Commentary No. 46, February 9, 2011)

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DNI: "We judge it is not possible the DPRK could have constructed the Yongbyon enrichment facility and begun its operation, as North Korean officials claim, in such a short period of time - less than 20 months - without having previously conducted extensive research, development, testing, fabrication, and assembly or without receiving outside assistance. Based on the scale of the facility and the progress the DPRK has made in construction, it is likely that North Korea has been pursuing enrichment for an extended period of time. If so, there is clear prospect that DPRK has built other enrichment related facilities in its territory, including likely R&D and centrifuge fabrication facilities, **and other enrichment facilities. Analysts differ on the likelihood that other production-scale facilities may exist elsewhere in North Korea.**" (James R. Clapper, Director of National Intelligence, Statement for the Record on the Worldwide Threat Assessment of the U.S. Intelligence Community, House Permanent Select Committee on Intelligence, February 10, 2011, quoted in Mary Beth Nikitin, "North Korea's Nuclear Weapons: Technical Issues," (Washington: Congressional Research Service, February 12, 2013)

North Korean leader Kim Jong-il could attempt further provocations to boost the standing of his heir-apparent son, the top U.S. intelligence chief predicted, saying the regime's deadly attack on a South Korean island was believed to be part of such efforts. Director of National Intelligence James Clapper said in written testimony to the House Intelligence Committee that the November shelling of the South's border island of Yeonpyeong "was meant in part to continue burnishing successor-designate Kim Jong-un's leadership and military credibility among regime elites." "Kim Jong-il may feel the need to conduct further provocations to achieve strategic goals and portray Jong-un as a strong, bold leader, especially if he judges elite loyalty and support are in question," he said. The DNI chief said, however, that the "succession process is still subject to potential vulnerabilities, especially if Kim Jong-il dies before Jong-un consolidates his authority."

On the North's nuclear capabilities, Clapper said that the communist regime is believed to have tested two nuclear devices. It is still unclear "whether the North has produced nuclear weapons, but we assess it has the capability to do so." Clapper said the North must have been seeking uranium enrichment for an "extended period of time." "If so, there is clear prospect that DPRK has built other uranium enrichment-related facilities in its territory, including likely R&D and centrifuge fabrication facilities, and other enrichment facilities," he said. In recent months, North Korea has indicated a growing willingness to return to the nuclear negotiating table, reversing its previous stance that it will never come back to the six-party nuclear talks that were last held in December 2008.

"The North probably wants to resume nuclear discussions to mitigate international sanctions, regain international economic aid, bolster its ties with China, restart bilateral negotiations with South Korea and the United States, and try to gain tacit international acceptance for its status as a nuclear weapons power," the U.S. spy chief said. The North's conventional military capabilities have weakened significantly over the past 10-15 years due to "persistent food shortages, poor economic conditions, inability to replace aging weapons inventories, reduced training, and increased diversion of the military to infrastructure support." Still, the North's military "remains a large and formidable force" and "is capable of conducting military operations that could potentially threaten regional stability. These operations provide Pyongyang with what the regime may see as a means to attain political goals through coercion," Clapper said. (Yonhap, "U.S. Spy Chief: N. Korea Could Attempt Further Provocations to Help Power Succession," *Korea Herald*, February 11, 2011)

At a time when dynastic rule is under attack in popular uprisings throughout the Middle East, the heir apparent to the North Korean dictator Kim Jong-il smoothly acceded to a senior position on the National Defense Commission, the country's most powerful body, according to a report on Wednesday by a leading newspaper in Seoul. *Chosun Ilbo*, citing an unidentified source in North Korea, said that Mr. Kim's youngest son, Kim Jong-un, had cemented his position as the second most powerful person in the country when he was named recently to the post of vice chairman of the defense commission, which is led by his father. The move was announced at a mass gathering of military leaders and security officials on February 10, according to the newspaper's source, but emerged only February 16, as the 69th birthday festivities for the elder Kim were in full swing in the capital, Pyongyang. "Kim Jong-un assuming such a position is

quite natural, and not surprising," said Paik Hak-soon, director of the Center for North Korean Studies at the Sejong Institute near Seoul. "It's not too early for something like this. Sooner or later it was to be expected." Kim Jong-un, who is believed to be 28 or 29, appeared publicly for the first time at a meeting of the ruling Workers' Party last fall. He was given the rank of four-star general and received two significant political posts: membership on the party's Central Committee and a vice chairmanship of its Central Military Committee, which is also overseen by his father. Although his emergence as a serious political figure has been undeniable, some political experts had remained unconvinced that Kim Jong-un was secure in his anointed position. But if the report of his promotion to the No. 2 post on the National Defense Commission is true, they said, there can be no further doubts. "He is in a very special and unique category, and nobody else can be included as possibly assuming the supreme leadership," Paik said. The 15-member defense commission has several vice chairmen, including Jang Song-taek, the leader's brother-in-law and the younger Mr. Kim's uncle. It is widely believed that Mr. Jang, the husband of Kim Jong-il's sister, has effective day-to-day control of the country. But in terms of power and position, "Kim Jong-un is already ahead of Jang Song-taek," Paik said. "Jang Song-taek is the most powerful and loyal guardian" for the heir apparent, he said. "But it's not possible for him to be promoted to supreme leader." (Mark McDonald, "Son of North Korean Leader Is Given No. 2 Post, Report Says," *New York Times*, February 17, 2011, p. A-4)

South Korea and the United States have signed amendments to their landmark free trade agreement, paving the way for the deal to be voted on by lawmakers in both countries. The two governments exchanged documents signed by South Korean Trade Minister Kim Jong-hoon and U.S. Trade Representative Ron Kirk, the Ministry of Foreign Affairs and Trade said in a statement. Kim and Kirk worked out a hard-fought compromise in early December to salvage the original agreement, which was signed in June 2007. Moves to ratify it had stalled amid changes in government in both countries, the global financial crisis and American demands that South Korea take steps to increase U.S. auto imports and ease restrictions on American beef. (Kelly Olsen, "South Korea, U.S. Sign Revisions to Free Trade Deal," Associated Press, February 10, 2011)

2/11/11

Russia and Japan failed to calm a flaring territorial dispute in a bruising meeting of their top diplomats, with Moscow bluntly accusing Tokyo of unacceptable behavior in the stand-off. The talks between Russian Foreign Minister Sergei Lavrov and his Japanese counterpart Maehara Seiji were marked by an icy atmosphere and indications of an increasingly tense stalemate over the Pacific Kuril islands dispute. "To be honest, I expected to receive you in Moscow against a better backdrop," a stern-looking Lavrov said as he opened the talks in Moscow. "Your visit comes against the background of a series of completely unacceptable actions," he added. In the last days, Japan's PM Kan Naoto had called President Dmitry Medvedev's unprecedented visit to the Kuril islands in November an "unforgivable outrage" while a rifle bullet was mailed to the Russian embassy in Japan. The two men later sat side-by-side in a frosty joint press conference, with Maehara stock-still as Lavrov repeated his anger over

Japan's actions and warned, "When radical positions are adopted in Japan..., and this happens sometimes, and they are shared by the leaders of the country, then of course any kind of dialogue has no chance." "The Northern Territories are age-old Japanese territory," Maehara responded. "This can be said from the point of view of history, and from the point of view taken on the international level," he said. Indicating no progress had been made to quell the flaring tensions, he added: "Our positions are still parallel." Amid a spiraling row, Medvedev this week ordered the deployment of extra weaponry on the disputed islands and declared them to be an "inseparable" part of Russia. Russian media said that unusually for a visit by a top diplomat from a major industrialised power, Maehara was not going to be granted a meeting with Medvedev or PM Vladimir Putin. The decades-long impasse has prevented the signature of a formal peace treaty and kept Japanese investments to a minimum in Russia's underdeveloped Far East. "The Japanese side is focusing in these talks on economic cooperation," a source in the Japanese delegation told AFP, warning it would be unlikely the two sides would agree a date for Kan to visit Russia. (AFP, "Russia, Japan Fail to Quell Islands Row," February 12, 2011) Russian Foreign Minister Sergei Lavrov said the Kremlin would be happy to see Chinese, Korean and even Japanese investment in the islands, which Moscow has held since 1945. Maehara shot back that investments into the islands from "a third country" would "complicate the situation." He also gave a chilly response to Lavrov's call for a committee of historians to weigh in on the territorial dispute, saying previous discussions by specialists had brought little in the way of results. (Alexei Anishchuk, "Russia Raps Japan over Island Dispute," Reuters, February 12, 2011)

China does not back efforts by Washington and Seoul to punish [North Korea](#) at the United Nations for its uranium enrichment program and wants six-party talks to deal with the issue, a top South Korean envoy said. "Both sides were concerned about it (the North's uranium enrichment program) and will work closely," the South's nuclear envoy Wi Sung-lac told Reuters after a two-day visit to Beijing to discuss the issue with his Chinese counterpart. But Wi said China disagreed that the United Nations should be involved, and said the six-sided forum should deal with it. (Ju-min Park, "Diplomacy Stalemate over North Korea's Nuclear Program," Reuters, February 11, 2011)

The White House said Friday that North Korea will face further isolation if it refuses to engage in dialogue with South Korea in a serious manner. "I think it was clear, again, when talks broke down earlier this week bilaterally, that they were ... that they had no real intention of entering into a constructive dialogue like this," White House spokeswoman Robert Gibbs said at a press briefing. "And I think it results in further isolation of North Korea, and they can make a conscious decision but it's going to require that conscious decision." "I think what was clear in the bilateral talks that quickly broke down earlier this week between South Korea and North Korea was that North Korea genuinely lacked the seriousness to be involved in this," Gibbs said. "And I think before we return to six-party talks, I think North Korea has to demonstrate a seriousness ... the seriousness with which they need to employ to live up to their commitments." (Yonhap, "U.S. Warns N. Korea of Further isolation," February 11, 2011)

2/12/11 The support rating for Prime Minister Kan Naoto's Cabinet dropped to an all-time low of 19.9 percent in the latest Kyodo News survey released Saturday, down 12.3 percentage points from the previous poll a month ago. The last time the approval rate for any Cabinet has sunk below 20 percent in a Kyodo News survey was just before Kan's predecessor, Yukio Hatoyama, resigned last June, when the rate was just 19.1 percent. The telephone survey conducted Friday and Saturday showed the disapproval rating for the Cabinet accelerating to 63.4 percent from 53.9 percent primarily due to what is seen as lack of leadership on the part of Kan, president of the ruling Democratic Party of Japan. (Kyodo, "Public Support for Kan's Cabinet Hits All-Time Low of 19.9%," February 12, 2011)

2/14/11 North Korea has revived a special party bureau, codenamed Office 38, that oversees coffers and raises slush funds for its leader Kim Jong-il and the ruling elites, South Korea said Monday in its annual assessment of the power structure in the communist country. In 2009, the bureau had been merged with Office 39, another organ that governs a wide network of business operations both legal and illegal, according to the Unification Ministry in Seoul. In a meeting with reporters, however, a ministry official said Office 38 has been spun off from Office 39 and is now running on its own again. The cited "a stream of information" that has come through since mid-2010. The official would not elaborate on how the information has been obtained, only saying the ministry works closely with "related government bodies" to outline the North's power structure. Office 38, whose chief remains unknown, mainly oversees transactions involving foreign currency, hotels and trade, the official said, while Office 39, headed by Jon Il-chun, drives revenue by dealing in narcotics, arms, natural resources and others. A source privy to North Korea matters said the spin-off suggests that North Korea has been experiencing difficulties in earning foreign currency since merging the two offices. "Efficiency was probably compromised after the two, which have different functions, were combined," the source said, declining to be identified citing the speculative nature of the topic. "More importantly, it seems related to the current state of foreign currency stocks. The North is apparently trying to address those difficulties." (Sam Kim, "N. Korea Revives 'Office 38' Managing Kim Jong-il's Funds: Ministry," Yonhap, February 14, 2011)

2/16/11 FM Maehara Seiji of Japan and Kim Sung-hwan of South Korea told a news conference that the North must take concrete steps to give up its nuclear programs as it had previously agreed. "We confirmed that North Korea's uranium enrichment program is a violation of a U.N. Security Council resolution and a joint statement under six party talks," Maehara said at the close of a meeting with Kim in Tokyo. "We agreed that the international community's concerns over uranium enrichment should be taken up at an appropriate forum like the U.N. Security Council," Maehara said. (AFP, "Korea, Japan Urge U.N. to Discuss North Korea," *Korea Herald*, February 16, 2011)

New satellite imagery seen by VOA News shows North Korea has completed a launch tower at its second missile launch facility, in the country's northwest. Intelligence analysts in the United States and South Korea are keeping a close eye on the facility, near Tongchang-dong. The site is seen as a critical element in Pyongyang's quest to build a missile capable of delivering a nuclear weapon across the Pacific. The satellite pictures were taken during the past month.

Most significantly, the photographs reveal a completed launch umbilical tower at Tongchang-dong. Tim Brown, an image analyst who is a senior fellow at GlobalSecurity.org, says it has taken North Korea about a decade to finish the facility. "Little by little, they've been getting closer and closer to having an operational site. We can now say, I think confidently, that the launch tower and the launch pad are basically finished," said Brown. "And the question is do they have a launch vehicle that's ready to be launched? And we just don't know." Brown and a colleague first spotted the facility in 2008, when it was still under construction. They were the first to publicly reveal it. Brown says it is a more advanced operation than North Korea's first launch site, at Musudan-ri, because it has a rocket engine test stand, missile assembly and test buildings, a launch bunker and an observation tower. "A sophisticated launch site like this is amazing. Compared to the old site, which was nothing more a place they go when the weather was right to launch their missiles," Brown added. "This is actually a dedicated launch center." (*Chosun Ilbo*, "New N. Korean Space Launch Site Appears Completed," February 17, 2011)

2/18/11

Despite the severed inter-Korean relations, Kaesong Industrial Complex related trade reached \$1,442,860,000, surpassing last year's figure of \$940 million by 53.4 percent. A closer look at the numbers shows a sharp jump in 2010: 2004 (\$41.69 million); 2005 (\$176.74 million); 2006 (\$298.79 million); 2007 (\$440.68 million); 2008 (\$884.40 million); 2009 (\$940.55 million); 2010 (\$1.44 billion). This rise in trade brought **the total trade figure up to \$1.912 billion by 2010, an increase of 13.9 percent against last year's total of \$1.679 billion**. The number of total workers in North Korea reached 42,397 in March 2010, steadily increased to 44,958 in October, and reached 45,332 by November. After the Cheonan incident, South Korea issued a suspension on inter-Korean trade, causing a drop in general trade by 54 percent from 2009 to \$117,860,000 and a drop in processing on commission by 22.5 percent to \$317,560,000. Consequently, the composition of the inter-Korean trade changed, contributing to the proportion of the trade in Kaesong to increase to 75.5 percent from 56 percent in 2009. General trade on the other hand, fell from 15.3 percent to 6.2 percent and processing on commission dropped from 24.4 percent to 16.6 percent from 2009. In addition, commercial transactions -- such as general trade and processing on commission -- in Kaesong comprised 98.8 percent of total inter-Korean exchange while noncommercial activities like humanitarian assistance only reached 1.2 percent. Also in 2010, a total of 13,119 South Koreans visited North Korea, which is an increase of 7.9 percent from the previous year (12,616 people). This is due to the rise in the number of people visiting the Kaesong Industrial Complex. According to the Ministry of Unification, 94.5 percent (123,023) of the total visitors to the DPRK had involvement with the Kaesong Industrial Complex, an increase of 7.9 percent from 2009 (111,811 people). With the implementation of the May 24 sanctions against North Korea, noneconomic related visitation including humanitarian and cultural exchanges decreased 23 percent from 2,313 people to 1,773 from the previous year. (Institute for Far Eastern Studies, "Trade in Kaesong Drastically Increases to \$1.4 Billion in 2010," February 18, 2011)

2/19/11

A swiftly moving disease that has decimated South Korean livestock and damaged the country's food production now appears to be out of control in North Korea. It is unclear where or when the latest outbreak of the airborne, easily transported illness known as foot-and-mouth disease began on the Korean peninsula. But in a sign of the pressure North Korea is facing

over the issue, its state media on Tuesday reported that the outbreak originated in the South and that other countries, including Malaysia and Mongolia, have been hit with outbreaks in the past. North Korea, which faces chronic food shortages and whose authoritarian government resists interaction with outsiders, hasn't taken any apparent steps to cull animals infected with the disease, as South Korea did. Visitors to North Korea reported as far back as December they suspected the country was battling foot-and-mouth disease, but North Korea's state news agency didn't officially confirm the outbreak until Thursday when it said "more than 10,000 head of draft oxen, milk cows and pigs have been infected" and "thousands of them died." (Evan Ramstad, "North Korea Frets over Spread of Livestock Disease," *Wall Street Journal*, February 19, 2011)

2/20/11

North Korea has been digging special tunnels at a nuclear test site in Punggye-ri in North Hamgyong Province, sparking concerns that it may be preparing for another nuclear test, government and military sources said. "South Korea and U.S. intelligence authorities have spotted the North building a couple of additional tunnels in Punggye-ri," said a government source. "It's obvious that North Korea is preparing for a third nuclear test." The North was excavating several tunnels before picking the most suitable, Yonhap said, citing an unnamed South Korean government source. The source gave no further details on how many tunnels Pyongyang has constructed. "Underground bases can't be reused after a nuclear test blast," he said, adding that Pyongyang is building more than one tunnel so that it can choose the best one for the atomic test. "It's unclear whether the North will conduct a plutonium-fueled nuclear test or uranium-fueled one," the source said. "But it's likely to opt for the plutonium-based program as it has already revealed the existence of a modern uranium enrichment facility and expects strong opposition from China." "The Joint Chiefs of Staff is mapping out programs to deal with the North's third nuclear test, long-range missile launch and hovercraft attacks," said a military source. "We are closely watching its new missile launch site in Dongchang-ri and the Punggye-ri nuclear test site." He said that the Dongchang-ri missile site is not yet completed, while construction of a naval base that can accommodate 70 hovercrafts in Koampo, Hwanghae Province, will be finished soon. (Yonhap, "N. Korea's Digging of Tunnels Sparks Speculations about Nuke Test," Yonhap, February 20, 2011)

President Lee Myung-bak stressed that the two Koreas should renew their relations through genuine dialogue, saying this year is an appropriate time for the communist neighbor to change its course. "South Korean people think that there should be a real change in South-North Korean relations," Lee said after a mountain-climbing session with reporters to mark the third anniversary of his inauguration that falls on February 25. Lee reiterated that "this year is an appropriate time for North Korea to change itself" after years of heightened inter-Korean tensions, and said that Seoul is open to talks with Pyongyang including a summit-level dialogue. "I would like to give North Korea the message that we are always open (to talks) and (it has) a good chance this year," he said. The president said South Koreans support a two-track approach toward the North -- tough countermeasures against its military provocations and efforts for peace. "I think North Korea is being distressed by many other countries' calls for a change," he said. Lee said his government will consult with other nations -- especially the other members of the six-way talks on the North's nuclear program -- if progress is made in efforts for true inter-Korean dialogue. The six-way talks, stalled for years, also involve the United States, China, Russia and Japan. "I never want North Korea to be ridiculed by the international

community," he said, recollecting a recent conversation with a foreign head of state about the North's heir apparent -- Kim Jong-un -- who became a four-star army general last year at the age of 28. Lee said he felt ashamed when the leader, whom he refused to identify, derided the North's decision to promote Kim, a young man with no military background, to the top military post for a father-to-son power transition. (Lee Chi-dong, "Lee Urges N. Korea Not to Miss Prime Time for Change," *Yonhap*, February 20, 2011)

2/21/11

Chinese Vice Foreign Minister Zhang Zhijun met Kim Yong-nam, president of North Korea's Presidium of the Supreme People's Assembly, in Pyongyang. Xinhua News Agency reported the senior North Korean official explained to the Chinese envoy the details of his country's efforts to develop its economy. In return, Zhang reiterated China's support for joint development and peace and stability on the peninsula. (Kang Hyun-kyung, "Seoul, Beijing Remain Unchanged over N. Korea," *Korea Times*, February 23, 2011)

2/22/11

The United States dismissed any bilateral dialogue with North Korea on easing tensions on the Korean Peninsula, urging the North to first improve ties with South Korea. "Right now we're focused on inter-Korean dialogue," State Department spokesman Philip Crowley told reporters. "Obviously, we have long supported dialogue between North and South Korea." Crowley was responding to the report that North Korea has asked for defense ministers' talks with the U.S. through the North Korean mission to the United Nations in New York. U.S. President Barack Obama received a special briefing on North Korea's weapons of mass destruction on February 9. (Yonhap, "U.S. Dismisses Bilateral Talks with Pyongyang," *JoongAng Ilbo*, February 24, 2011)

North Korea recently took the unusual step of begging for food hand-outs from the foreign governments it usually threatens. Plagued by floods, an outbreak of a livestock disease and a brutal winter, the government ordered its embassies and diplomatic offices around the world to seek help. The request has put the United States and other Western countries in the uncomfortable position of having to decide whether to ignore the pleas of a starving country or pump food into a corrupt distribution system that often gives food to those who need it least. The United States, which suspended its food aid to North Korea two years ago amid concerns about transparency, "has no plans for any contributions at this time," said Kurt Campbell, the State Department's top East Asia official. Meanwhile, the U.N. World Food Program, responsible for much of the food aid in North Korea, said its current food supply could sustain operations in the communist country for only another month. "We're certainly hopefully that new donations will be coming in the upcoming weeks," said Marcus Prior, the WFP's spokesman in Asia. (Chico Harlan, "Starving N. Korea Beggars for Food But U.S. Has Concerns about Resuming Aid," *Washington Post*, February 22, 2011, p. A-6)

In a press release summarizing North Korea policies during the past three years of the administration, the Unification Ministry said it has based its policies on fundamental rules and will now instead "induce desirable change within North Korea" by helping the North Korean people on a more personal level. "We will push ahead with policies that are directed at ordinary North Korean citizens," said the ministry. "Transparency regarding distribution will be strengthened and support will be provided for those who are going through hardship." "Cooperation for human rights will also be boosted and more efforts will be made to improve

North Korean human rights.”

The government also set guidelines for future talks with the North, saying it will demand “a change in manner that shows sincerity” from Pyongyang. Bilateral talks between the two Koreas are currently at a standstill after North Korea abandoned military talks earlier this month, angrily denying that the North had anything to do with the sinking of the Cheonan, for which Seoul demands it take “responsible action.” The ministry’s release repeated its past demands that North Korea guarantee no future provocations against South Korea and take “responsible action” for those attacks. The government also wants North Korea to affirm its sincerity regarding denuclearization. The ministry said it will “seek talks with results to solve current matters at hand, and not talks for the sake of talks,” and “firmly react against North Korea’s wrong actions to prevent bilateral relations from deteriorating.” The ministry’s current project is to develop a strategic plan to unify the Korean Peninsula, with policies to increase education on unification and support North Korean defectors adjust to life in the South. “We will expand international support for the peaceful unification of the Korean Peninsula, which will be led by us,” said the ministry. (Christine Kim, “Unification Ministry to Put Emphasis on Efforts to Help Ordinary Citizens,” *JoongAng Ilbo*, February 23, 2011)

Two men and a woman in suits and ties appeared at Room 1961 of Lotte Hotel in downtown Seoul around 9:20 a.m. February 16. They sought to break into the room of an Indonesian delegation aide located in the middle of the floor’s corridor. The aide was an assistant to Hatta Rajasa, Indonesia’s economic coordination minister and chief of a visiting presidential delegation. Police said that they do not know how the hotel room door was unlocked. The trio allegedly entered the room when the Indonesian visitors briefly left their rooms ahead of their meeting with President Lee Myung-bak at 10 a.m. and touched two notebook computers in the room. Returning to his hotel room just before departure, the aide saw the intruders, who took one of the notebooks. When the aide reported the break-in to hotel staff, a hotel employee approached and talked to the intruders, who were standing in inner stairways for employees. They handed over the notebook to the aide, took the elevator, and quickly left the scene. Police say they secured surveillance video footage of the intruders on the 19th floor lasting nearly six minutes, including two minutes in which they hid themselves with the laptop. (*Dong-A Ilbo*, “Did Spies Break into Indonesian Group Aide’s Room?” February 22, 2011) Export of the T-50 Golden Eagle supersonic trainer jet has been a long-cherished dream of the Korean government. Developed by Korea Aerospace Industries in collaboration with Lockheed Martin over a 10 year period starting in 1997 at a cost of ₩2.8 trillion (US\$1=W1,119), the T-50 is the country's first supersonic trainer jet and is equipped with top-notch electronics equipment. These features had stoked hopes of exports reaching around 1,000. The Air Force bought 90, but that was not enough to recoup the investment, making export crucial. The problem is the high price tag of US\$25 million per jet. Although the T-50 boasts superior performance to Italy's Aermacchi M-346 Master trainer jet, the Korean plane has lost to its Italian rival on several bids due to the high price. When he was president elect in January 2008, Lee asked the ruler of Abu Dhabi to buy T-50s but was unsuccessful. Lee then pitched the T-50 to Poland during his visit to Warsaw in 2009 and failed as well. Last year, he wooed Singapore by inviting the country's leader to the G20 Summit, but failed again. He then set his sights on Indonesia. Despite his busy schedule last December dealing with the aftermath of North Korea's shelling of Yeonpyeong Island, Lee pushed ahead with a visit to Bali because rejecting an invitation from Indonesian President Susilo Bambang Yudhoyono could have hurt the potential sale of the T-50 and other bilateral

pacts. The two leaders there forged a defense industry cooperation pact that led to the visit of a high-level delegation to Seoul last week. A government source said, "The two countries tried to wrap up the T-50 export deal during defense ministerial talks [last Tuesday] but everything got messed up." Sources in the defense industry say the T-50 is a superb trainer jet despite its high price, and are concerned that the botched break-in at the delegation's hotel room by NIS agents could throw them back to square one. (*Chosun Ilbo*, "Botched NIS Break-in Jeopardizes Long-Cherished Hopes," February 22, 2011) What was behind the farcical incident in which National Intelligence Service (NIS) agents seeking to collect industrial information were caught infiltrating the room of an overseas delegation of special envoys visiting South Korea? Observers within and close to the political sector say the incident was the product of a power battle within the NIS, inappropriate organizational changes, and competition and conflict between the military and NIS. Analysts suggest that another major factor may have been an excessive emphasis on results, with a determination to use any means necessary to realize President Lee Myung-bak's long-cherished wish of exporting advanced training aircraft. According to accounts from various ruling and opposition party figures familiar with the intelligence sector, at the time Won Sei-hoon took over as NIS director in February 2009, so-called "TK" connections from the Daegu (Taegu)-North Gyeongsang (Kyungbuk) Province area gained control of the NIS, handling matters such as appointments. At the center of this group was Policy Office Director Kim Ju-seong, an associate of Grand National Party Lawmaker Lee Sang-deuk, who is the older brother of President Lee Myung-bak. In response, sources report, Won carried out wide-ranging appointments in September 2010, during which a large number of TK figures received transfers to outlying provinces. "TK figures in the NIS unanimously called for Won's firing after the NIS reported during a National Assembly intelligence committee meeting in December of last year that it had collected intelligence about a North Korean provocation in August, three months before the artillery attack on Yeonpyeong Island," said a Democratic Party (DP) lawmaker and member of the Intelligence Committee. "It looks like the TK move to unseat Won was behind this incident," the lawmaker said. A ruling party lawmaker on the committee said, "Judging from the media reports, which are extremely specific, there seems to be a battle within the NIS between the contingent that is trying to unseat Won and move into key posts in the service and the side that is already holding the reins." Other observers say the system for intelligence collection and administration has broken down because of large-scale organizational changes effected after Won took office. "Won really shook up the areas of intelligence and investigation in the name of reforms," said a source familiar with the NIS situation. "Intelligence activity is not something you do according to a manual," the source said. "The reality of the NIS is the transmission of practices in a kind of apprenticeship system through years of know-how and connections, and internal disorder arose when they disregarded this." "To hear the talk coming from the NIS now, the working level there is a big mess," the source added. "The talk about a power battle may be partially true, but the biggest problem is the collapse of the internal system." Another interpretation from overseas is that this major incident erupted after reckless competition between the Ministry of National Defense and the NIS over weapons exports. A Defense Ministry source said, "When President Lee Myung-bak visited Indonesia last December, he thought there would be progress with the exportation of the Korean-made T-50 advanced training aircraft, and after the other side showed its reluctance, he was very upset when he came back to Korea." "After seeing the president enraged like that, the NIS tried to show extra loyalty and ended up overreaching," the source said. Meanwhile, sources reported NIS employees have been

disgruntled that an incident that might have been quietly ignored blew up after the military needlessly informed the police. The military and NIS have been in conflict repeatedly over critical situations such as the sinking of the Cheonan in April 2010 and the Yeonpyeong Island attack in November. Some observers are questioning whether the decision to rashly pursue a major coup arose in the process of keeping step with the president, someone who likes the production of visible results quickly. Shin Kuhn, a Democratic Party lawmaker and NIS director during the Kim Dae-jung administration, said, "The NIS committed this reckless action because it was caught up in the focus on results, the idea that they simply need to produce results, whatever the means or methods." Meanwhile, it was reported that the NIS is operating a "safe house" at a major hotel in downtown Seoul, where it is routinely and aggressively gathering intelligence. An official with Lotte Hotel said, "There is a room where NIS employees are permanently stationed, and one employee is always at the hotel." Sources said the NIS has used this safe house to gather intelligence on major foreign guests staying at Lotte Hotel. An official who took part in the handling of this case said, "In the past as well, NIS employees would secretly gather intelligence at the lodgings of guests, but as far as I know this is the first time they have been caught by the other party." Other sources say that NIS has similar safe houses at most major hotels in downtown Seoul and that intelligence gathering efforts using them have become more aggressive since the Lee administration took office. An official at one luxury hotel in downtown Seoul said, "Up until the time of the Kim Young-sam administration, intelligence organizations used two to three rooms year round, but this practice went away for the most part during the Kim Dae-jung and Roh Moo-hyun administrations." "The NIS's year-round use of hotel rooms made a comeback when the Lee administration took office," the official said. (Shin Seung-keun, Staff Writer and Hwang Chun-hwa, "Infighting and Feud with Military Cited as Factors in NIS Debacle," *Hankyore*, February 23, 2011)

Ailing North Korean leader Kim Jong-il appears to be getting neither better nor worse, UnifMin Hyun In-taek told the chiefs of overseas missions in a closed-door briefing held at the Foreign Ministry in Seoul. Hyun added Kim appears to be using his left arm a little better than a year ago, according to sources at the meeting. Recent public remarks by Kim's eldest son on Japan's Asahi TV, Hyun said, "were staged." Kim Jong-nam, who was passed over for the leadership succession and lives in exile in China, "made the remarks for his own protection, sending a message to his half-brother Jong-un that he has no ambition for power and therefore wishes him well," the sources quoted Hyun as saying. The minister speculated that Kim Jong-nam is in communication with his father through his wife, who lives in North Korea. Hyun also said the North Korean military seems to be carrying out "high-level diplomatic activities" while transgressing the Foreign Ministry's authority. He claimed it was military, not the ministry, that pulled the strings behind the visit of former U.S. president Bill Clinton to secure the release of two American journalists in August 2009. The military believed that it should come to the fore in diplomatic matters because it could not trust the ministry, he said. Hyun pointed out that it was North Korea's Minister of the People's Armed Forces Kim Yong-chun who recently proposed high-level military talks to the U.S. in a message to Defense Secretary Robert Gates. Turning to the Kaesong Industrial Complex, Hyun said the facility is perhaps the only thing that is doing well economically in the North. "After its attacks on the Navy corvette Cheonan and Yeonpyeong Island last year, the regime suddenly began dispatching hundreds of more workers to the industrial park every day. North Korean officials have asked us informally never to shut down factories there," he said. Some South Korean

businesses at the industrial park gave 1 kg of pork to each North Korean employee as gift, but the regime failed to dole out extra meat rations for the Lunar New Year's Day and Kim Jong-il's birthday, he added. "There's almost no economic infrastructure in the North. Even its light industry isn't performing well. The only thing the regime can do is excavate underground resources," he said. Hyun also commented on the regime's propaganda computerization, quaintly called "computer numerical control" or CNC for short, a process touted as heir apparent Kim Jong-un's prime achievement. "I hear that the machine tool accuracy the North is trying to achieve is about 10 times less accurate" than South Korea's, he said. (*Chosun Ilbo*, "Diplomats Briefed on Seoul's View of N. Korea," February 22, 2011)

KCNA: "It has been revealed that the United States has tried backstage to block the resumption of DPRK-Japan negotiations. According to the Japanese newspaper *Mainichi Shimbun* on February 17, the minister of the U.S. embassy in Tokyo invited veteran dietmen concerned with diplomatic and security affairs from the Democratic Party, Liberal Democratic Party and New Komeito Party to his residence on the evening of February 15 to find fault with Japan's position on DPRK-Japan relations. As regards the Japanese foreign minister's remark about possible negotiations with the DPRK, the minister inquired into its real meaning, voicing his misgivings to the foreign minister, said the newspaper. The fact shows that the U.S. does not hesitate to hurt even its ally's interests for the sake of its own interests in northeast Asia, including the Korean peninsula, and that it hampers the relaxation of tension in the region." (KCNA, "U.S. Impedes DPRK-Japan Negotiations," February 22, 2011)

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The top diplomats of South Korea and China failed to narrow their differences on North Korea. Minister of Foreign Affairs and Trade Kim Sung-hwan and his Chinese counterpart Yang Jiechi, however, agreed to expand high-level contacts, including Prime Minister Kim Hwang-sik's visit to China in the first half of this year, in a meeting held in Seoul. In opening remarks, the Chinese foreign minister stressed China will continue efforts to resume the stalled six-party talks as early as possible, hinting that there has been no change in its position on the need to restart dialogue. Regarding this, a MOFAT official said on condition of anonymity that South Korea's position on the nuclear talks has not changed, either. Earlier, Seoul officials called on Pyongyang to take the necessary steps to restart the six-party talks. During the talks, Seoul and Beijing agreed to increase high-level reciprocal visits, expand military exchange programs, and prepare joint events to mark the 20th anniversary of diplomatic relations next year. Following Prime Minister Kim's Beijing trip, a high-ranking Chinese official will visit Seoul this year. This was the first time for the two sides to sit down since North Korea shelled a South Korean island near the maritime border in the West Sea last November. (Kang Hyun-kyung, "Seoul, Beijing Remain Unchanged over N. Korea," *Korea Times*, February 23, 2011) During their slightly over one-hour talk, the two ministers shared general concerns over Pyongyang's uranium enrichment program, a Seoul official told reporters after the meeting. "(But) no progress was seen in China's position toward the program," the official added. "It has been China's longstanding belief that the six-nation talks should resume in an earliest possible date. But we are together on the fact that certain conditions must be fulfilled," the official said. (Shin Hae-in, "China Again Calls for 6-Party Talks Soon," *Korea Herald*, February 23, 2011)

China has blocked a United Nations committee from adopting a report condemning North Korea's establishment of a uranium enrichment program that could serve as a second way of making nuclear weapons aside from its plutonium-based program, a diplomat said. "China

opposed the adoption of a report on North Korea's uranium enrichment program during today's U.N. Security Council committee meeting to assess the implementation of sanctions on North Korea," the diplomat said. (Yonhap, "China Blocks U.N. Committee from Adopting Report on N.K.'s Uranium Program," *North Korea Newsletter*, No. 146, February 24, 2011)

China's interests in the Korean Peninsula are primarily driven by competition with the United States, a veteran Chinese analyst on Korea said recently. "The primary reason that Beijing pays attention to the peninsula is less about Korea per se, but has more to do with the U.S.," said Xu Baokang. Xu, 61, is one of the best qualified Chinese to comment on both sides of the divided Koreas because he knows them in an up-close and personal manner. He lived in Pyongyang for 15 years, followed by 16 years in Seoul, until 2008, as a correspondent for the *People's Daily*. "Let's face it," Xu continued, "China and South Korea also differ over the North Korean issue." He argued since the two tragedies last year had a Cold War background, a fundamental solution can be found by removing the Cold War structure on the peninsula. "Unless this structure hovering over the Korean Peninsula is eliminated, military conflicts between the two Koreas will continue." In the aftermath of the sinking of the Cheonan, China simply called for calm in both Koreas. China repeated its stance during North Korea's shelling of South Korea's Yeonpyeong Island as well. Critics say the country remained technically neutral, but de facto sided with Pyongyang by shielding it from international criticism. A total of 50 South Koreans lost their lives, in the torpedo attack and artillery shelling. "South Koreans may have been disappointed by China's stance. But in rational analysis, it played a constructive role in preventing a war on the Korean Peninsula," Xu argued. "If China had sided with South Korea and as a consequence if there was an outbreak of a major armed clash between the two Koreas, think about who are the people who will suffer eventually? It's you, the Koreans." (Sunny Lee, "China's Strategy Driven by Desire to Check U.S.," *Korea Times*, February 23, 2011)

David Wright: "Last week press stories announced that North Korea had completed a second launch site for long-range rockets, which is bigger and more sophisticated than its original site. Tim Brown of globalsecurity.org found the new site, called *Tongch'ang-dong* after a nearby town, using satellite images in 2008 and has been following its progress since then. Previously, North Korea launched its multi-stage rockets from a site in *Musudan-ri* on the east coast of the country, near the Sea of Japan. The most recent launch from that site was in April 2009 when the *Unha-2 launcher* failed to place a small satellite into orbit. The new launch site is instead located on the west coast of the country. In addition to much improved roads and facilities, several reports state that the new site has a significantly taller launch tower than the old site—50 versus 32 meters. (Brown suggests a more modest increase of 8 meters to a total height of 40 meters.) Two interesting questions raised by the new site are: why the new location, and why the larger tower? Why would North Korea build a new launch site on the west coast rather than modify its existing site? Speculation on this point abounds, including: (a) The new site is relatively close (100km) to the Sanum-dong long-range missile development center in Pyongyang, simplifying the transfer of missiles to the site. (b) It is only 70 kilometers from the Yongbyon nuclear complex, and could therefore "reduce the time and cost for delivering nuclear warheads to the new launch site" if North Korea develops a warhead that can be delivered by long-range missile. (c) The

location “complicates U.S. airborne and seaborne surveillance and intelligence collection, because it is on the northern portion of the Yellow Sea between China and North Korea.” (d) It reduces the incentive for an attack on the site since it is less than 50 kilometers from the border with China. (e) It would reduce Japanese objections to rockets that overfly Japan since they would be launched from further west and would therefore be at a somewhat higher altitude as they passed over Japan. (f) The location would allow North Korea to launch heavier payloads. Both (e) and (f) can be discounted. My analysis of the *Unha* launch indicates it passed over the northern part of Japan at an altitude of some 400 kilometers. Launching from 400 kilometers further west, which is the distance between the two launch sites, would only have increased that altitude by about 50 kilometers, which is unlikely to affect Japan’s view of an overflight. Point (f) is simply incorrect. The other points may be incentives for a new site, since the *Musudan-ri* site was relatively isolated. **But the most compelling reason to me is the fact that this location allows North Korea to launch south and avoid overflying any country during its boost phase.** Pyongyang can argue this represents a more responsible approach to flight testing, and that it removes Japan’s objections about overflights. Attempting to launch south from its original launch site would overfly South Korea. Moreover, since the flight path would be very similar to the trajectory that South Korean launches follow, Pyongyang can argue that objections to its launches represents an international double standard.” (David Wright, “North Korea’s New Launch Site,” 38North, February 23, 2011)

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The South Korean government said it would continue to push for action from the U.N. Security Council after publication of a report by experts condemning North Korea’s uranium enrichment program was blocked by China. South Korea did not have an official response to the failure of the UNSC to adopt a committee report recommending the tightening of sanctions against North Korea by the UNSC, but officials said the government would keep trying to push the issue. “We will push forth for a response from the council. The report is one opportunity and we are also looking into using several others,” said an unidentified South Korean government official quoted by Yonhap. After closed-door discussions on North Korea were held by the U.N. Security Council for about two hours, Portuguese Ambassador to the U.N. Jose Filipe Moraes Cabral, who chairs the committee, told reporters, “We’re looking at the [experts’] recommendations. We will see how we treat it and what we do with it in due course. You have to discuss these things in depth and give it time and be patient and eventually arrive at a decision based on consensus.” The report, which was handed over to the council on January 27, accuses Pyongyang of violating measures imposed against its nuclear program after North Korea’s 2006 and 2009 nuclear tests. The report was written by a team of experts from seven countries, including South Korea and Japan, based on observations made by Siegfried Hecker, a U.S. scientist who was shown a uranium enrichment facility during a visit to North Korea last year. (Christine Kim, “Seoul to Seek Release of U.N. Report,” *JoongAng Ilbo*, February 25, 2011)

Lawmaker Chung Mong-joon and other ruling lawmakers called for the reintroduction of U.S. nuclear weapons to Korea to confront the North Korean nuclear threat. At a parliamentary inquiry on foreign policy, unification and security, Chung said, “There are calls emerging for South Korea to arm itself with nuclear weapons as the U.S.

nuclear umbrella alone cannot get North Korea to abandon its nuclear program." Chung added, "Until North Korea abandons its nuclear program, South Korea, too, should consider at least the reintroduction of U.S. tactical nuclear weapons." Lawmaker Chung Ok-im also said, "If North Korea gives up its nuclear program after bringing back U.S. tactical nuclear weapons, which were withdrawn, South Korea could again have them withdrawn." Taking a conditional nuclear possession line, Lawmaker Won Yoo-chul said, "South Korea should keep nuclear weapons until the North Korean nuclear issue is resolved or the program is abandoned by Korean reunification." Won added, "This would also pressure China and Russia to actively try to resolve the North Korean nuclear issue." In response, Prime Minister Kim Hwang-sik and Defense Minister Kim Kwan-jin said for now, the most practical way to confront the North Korea nuclear threat is through the U.S. containment policy within the framework of the South Korea-U.S. alliance. (Lee Jung-ae, "GNP Lawmakers Reiterate Call for Nuclear Weapons on Korean Peninsula," *Hankyore*, February 26, 2011) Two out of three South Koreans believe the country should arm itself with nuclear weapons in response to the North Korean nuclear threat, according to handouts distributed at the National Assembly by former GNP chairman Chung. According to the handout based on a poll of 1,000 adults across the country from Feb. 18, 66.8 percent of respondents agreed the nation needs nuclear arms, with 34.4 percent ticking "strongly support the idea" and 32.5 percent saying "mostly agree." But 29.1 percent disagreed. Some 67.1 percent of respondents think the current security situation is dangerous, with 15.6 percent ticking "very dangerous" and 51.5 percent "somewhat dangerous." A mere 29.5 percent regard the situation as "not dangerous." A vast majority of 82.2 percent believe the North has nuclear weapons, and 12.7 percent do not. Some 52.7 percent are concerned about the "high possibility" of the North carrying out further provocations, in contrast to 39.1 percent who saw the threat as "not high." (*Chosun Ilbo*, "Two-Thirds of S. Koreans Support Nuclear Armament," February 25, 2011)

Five American aid agencies report the food shortage in North Korea has become severe. They are appealing for quick assistance to feed the isolated country's most vulnerable people. There are hurdles, however, to resuming aid to North Korea. The five aid groups say many North Koreans are foraging for wild grasses and herbs because of widespread food shortages. Seven experts from the groups visited North Korea earlier this month at the request of the government. They were given unprecedented access to assess the food situation, and report the worst winter in decades has killed key crops. At the same time, the team says, rising global food prices make it difficult for North Korea to import sufficient food. Kim Yong-hyun, a professor of North Korean studies at Dongguk University in Seoul, says it is unusual for North Korean authorities to allow such transparency. Kim says officials there have permitted a more objective view of the situation so the global community can know about the depth of the food shortage. The five organizations are experienced in assisting the isolated state: Christian Friends of Korea, Global Resources Services, Mercy Corps, Samaritan's Purse and World Vision. But in 2009 they were ordered to leave. The United Nations' World Food Program says its supply for North Korea will be exhausted in about a month. WFP staff arrived in the North this week to conduct a fresh assessment of food needs. The U.S. State Department says Washington is

monitoring the situation but is not preparing to resume aid. (Steve Herman, "Food Agencies Report Severe North Korea Food Shortage," VOA News, February 24, 2011)

The trade volume between North Korea and China has steadily increased, reaching its record high of \$3.4 billion in 2010. Total exports amounted to \$1.19 billion while imports doubled that figure to \$2.22 billion. Imports have continued to grow, increasing by 2.4 times over the previous year. In particular, a significant growth in anthracite exports was observed. The monthly anthracite exports that averaged around \$10 million surpassed \$70 million mark last August and maintained \$50 million monthly average between September to November. In addition, cost-per-ton of anthracite in March which was USD 52.2, jumped to \$82.8 in November, a climb of 60 percent. This boost is attributed to its increased export. The current supply of electric power consists mostly of hydroelectric power -- reaching over 60 percent -- but during the winter season most of the hydropower plants are frozen and not operational. Anthracites were the alternative resource to fill this gap. Sacrificing power production and exporting great amount of anthracites despite severe winter is a strong indication of the poor foreign currency situation in North Korea. In its New Year's joint editorial, North Korea placed heavy emphasis on its anthracite export that took up 60 percent of its total exports. In the statement, four vanguard sectors of coal, electricity, metals, and railroads were highlighted as important industries as "rich underground resources that will help with securing funds and resolving raw material problems." This is the first time in 13 years since the Arduous March for coal to be mentioned in the New Year's message. North Korea also began to lift export restraints of mineral resources like coal and silver from the latter half of last year and ordered to increase imports of rice and corns in place of minerals. (Institute for Far Eastern Studies, "Increase in DPRK's Mineral Resources Exports to China Expected Again for This Year," February 24, 2011)

In the two decades since, even as its Asian neighbors have succeeded at market-style transformations, North Korea has stuck with its command economy – resolutely socialist, centrally planned, stubbornly self-reliant. "And grindingly poor," in the words of John Everard, the former British ambassador to North Korea. As the envoy from 2006 to 2008, Mr. Everard saw firsthand that the North was on a "precipitous descent into levels of poverty we more normally associate with sub-Saharan Africa." Economic data about the North are notoriously unreliable, but the anecdotal evidence is alarming enough: Children with oversized heads and rust-colored hair – telltale signs of malnutrition. Hospitals where broken legs are splinted with broom handles, where patients are told to bring in empty beer bottles for IV drips. Most factories are closed. Oxen outnumber tractors. Now, as military and political tensions persist on the Korean Peninsula, and with the hectoring between the North and South at worrisome new levels, North Korea is trudging through yet another winter of shortages, yet another winter of bitter cold, not much food and precious little fuel. A recent report from the North described the longest stretch of freezing temperatures since 1945. A number of countries and international aid groups have reported desperate appeals from Pyongyang for humanitarian [food aid](#) in the past few weeks. And an epidemic of [foot and mouth disease](#) has infected more than 10,000 cows, pigs and draft animals. But has it been a winter of discontent? Not so much. Officials in Seoul said they have seen

no signs of unrest in North Korea, and certainly nothing that suggests a Middle East-style revolt might be taking shape there. People in the North seem to be bearing up and muddling through, as they always do, and the likelihood of economic reforms appears unlikely. "The gap between the elite and the rest of the country has probably never been wider," said Everard, currently a fellow at the Shorenstein Asia-Pacific Research Center at Stanford. But at the same time, he added, "There's no reason to expect things to change any time soon." The Communist regime in Pyongyang, analysts said, has no intention of relaxing its political grip or opening up its economy. "Reforms mean death," said Andrei Lankov, a North Korea expert at Kookmin University in Seoul. "It's a matter of survival and control. The leadership wouldn't mind economic development," he said. "Look, they're rational. They want modernity. They're not fundamentalists looking to Paradise and expecting 72 virgins to be waiting for them. But reforms? No." Indeed, the word "reform" – *kaehyuk* in Korean – has never been used in the official North Korean economic literature, according to Changyong Choi, a research fellow in social science at [Syracuse University](#) in New York State who has studied the topic. Instead, policy changes are known as "adjustments," and the result is called "pragmatic socialism." Recent refugees, scholars of North Korea and South Korean government officials see no signs that the economic hardships are pointing toward political instability. They see no existential threat to [Kim Jong-il](#) and his regime, whether through civil unrest, political factionalism or a military revolt. Regime change, as tantalizing as it might be to Seoul and Washington, seems remote. Kim looks to be in passably good health. And the apprenticeship of his youngest son, [Kim Jong-un](#), appears to be under way, albeit slowly and quietly. Ordinary North Koreans certainly struggle to eke out a living, but they are not starving. And the situation is nothing at all like the so-called Arduous March famine of the mid-1990s. More than a million North Koreans reportedly died from starvation then when aid from Russia stopped, crops failed and the socialist system of food allotments fell apart. Even at that level of hunger and horror, there was no profound, collective unrest. "The people who kept waiting for their government rations to come, they just died quietly," said John S. Park, director of the Korea Working Group at the U.S. Institute of Peace in Washington. "It's bad in the North," said a senior government official in Seoul. "But it's always bad, and it even seems to be a little better than normal right now." China, North Korea's principal benefactor and only major ally, has suggested that the North might do well to consider making some market-style changes. The message: profit by our example. But North Korea has "a long track record of listening politely to – and then ignoring – these Chinese requests," Everard said. China has been making major investments along its long-neglected northeastern border, its Rust Belt, and Chinese enterprises have struck major deals with well-connected North Korean trading companies, principally swapping roads, dams and bridges for iron ore and [coal](#). (Because they are described as "humanitarian development," the deals circumvent the various international sanctions in place against North Korea.) "They've clearly opened up to China in a way that's unprecedented," said Bradley O. Babson, chairman of the DPRK Economic Forum of the Korea Institute at the School of Advanced International Studies at Johns Hopkins University. But Babson and other Korea experts still see no inclination toward deep economic change by Pyongyang, whether using the Chinese model or any other. "I don't sense they've adopted a reform mentality at all," Babson said. He pointed to a regressive program of crackdowns in late 2009 – a currency

redenomination aimed at wiping out private wealth, violent assaults on fledgling markets and campaigns to intimidate traders and entrepreneurs. The deeply unpopular campaign was said to have caused market riots, and the government reversed course. "It all blew up in their face," said Babson, who suggested that the leadership had no Plan B. "'What do we do next?' That's kind of where they are now. But they've also put themselves in a box, with this hard deadline of 2012." A New Year's Day editorial, which typically sets the political tone and economic priorities for the coming year, said light industry would serve as a kind of defibrillator for charging up the economy heading into the landmark year of 2012 – the 100th anniversary of the birth of the founding president, Kim Il-sung. A 10-year economic plan announced last week echoed the New Year commentary, which said the principal goal was becoming "a strong and prosperous country." "Light industry" was mentioned 17 times, and Cheong Seong-chang, an analyst at the Sejong Institute near Seoul, interpreted the terminology as an oblique reference to Kim Jong-un, the apparent successor. Cheong said that Kim Jong-un's birthplace, Changsong County, is now being held up to North Koreans as an economic exemplar, a model region studded with just the kind of domestically built small factories that were described in the commentary as "measures to ignite a manufacturing revolution." There are, it must be said, glimpses of change. Private markets and traders are now being allowed to operate, if they pay off the police and enjoy the protection of a political or military godfather. They sell food, black market grain, household goods and electronics – second-generation televisions, used rice cookers, VHS machines and the like. "Whatever the Chinese are discarding become prized luxury items in North Korea," said Park. Orascom, the Egyptian telecommunications giant, is now providing cellular service in North Korean cities. A student exchange program with Syracuse University – the only one in the United States – continues to operate. A new science and technology university also has opened in Pyongyang, with Internet access and classes in English. The school is financed by American and South Korean evangelical Christians. Hard currency earned from the Kaesong industrial park operated jointly with South Korea will help the North toward its 2012 goal. But the conservative government in Seoul is hardly inclined to let a hundred Kaesongs bloom, mostly for fear that the profits and resources would be funneled to the North Korean military. Instead, the heavy economic lifting in the near term will have to be done by China. "China is the oxygen mask," Park said. "North Korea is not so happy to have to rely on China, but they really have no alternative." Analysts said the roadblocks to any meaningful reform remain daunting, principally the Communist political elite that is elderly, hard-line and financially illiterate. Everard, the former ambassador, described most of the senior leaders as "very old men, often in their 80s, who have hardly traveled and have no education in bourgeois disciplines like economics." After the fall of East Germany, Everard said, top North Korean leaders were shown videos of former East German officials selling pencils in the streets, as a cautionary lesson on what can befall those who relax their grip on power. "I think," he said, "that most of them got the message." (Mark McDonald, "North Koreans Struggle, and Party Keeps Its Grip," *New York Times*, February 27, 2011, p. 8)

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South Korea cannot agree to resume six-party talks on North Korea's nuclear programs unless the illicit nature of Pyongyang's uranium enrichment is clearly defined first, a senior official [Wi Sung-lac] said. "We have to get the (U.N.) Security Council to define

the nature of this matter and take corresponding steps," the official told South Korean reporters in Washington. "The point is that the international community should define the North's UEP (uranium enrichment program) issue as a violation of Security Council resolutions that should be stopped." "Uranium enrichment is another route to nuclear weapons development, along with plutonium. Anybody would know the intentions behind uranium enrichment by North Korea, which conducted nuclear tests twice," the senior South Korean official said. "It is not the right approach to leave this issue as it is and go discuss it at six-party talks." (Yonhap, "Six-Party Talks Out of Question Unless Uranium Issue Is Addressed: Senior Official," February 26, 2011)

South Korea has no intention to achieve unification by absorbing the North and is keeping up efforts to resume inter-Korean dialogue, Seoul's prime minister said. "The (South Korean) government does not regard North Korea as a target of absorption," Prime Minister Kim Hwang-sik said during the parliament's questioning of the government Friday. "We are continuing efforts to talk as dialogue is necessary to persuade North Korea to change." But the government is not considering the option of holding a summit of the leaders of the two Koreas "at the moment," Kim said, adding "talks should only be held when an actual progress can be expected." Liberal opposition parties called on the conservative Lee Myung-bak government to increase efforts to mend ties with Pyongyang, while his Grand National Party called for stronger defense. "Mounting pressure upon North Korea does not change the country. It only intensifies its nuclear ambitions," said Lee Nak-yeon of the main opposition Democratic Party. "The government should not wait, but begin to talk." Some ruling party legislators suggested that Seoul should also possess nuclear weapons to "effectively pressure" North Korea, as well as its allies China and Russia. "We so far do not have an independent, affective measure to protect ourselves," said GNP lawmaker Won Yoo-chul. Prime Minister Kim dismissed the suggestion saying "maintaining a denuclearized Korean Peninsula" is the Seoul government's principle. "It would be wiser to denuclearize North Korea via international cooperation than to jump into competition to develop nuclear arms," he said. Foreign Minister Kim Sung-hwan spoke along the same line during the session, saying China has "a solid belief" that North Korea must denuclearize. "All partners of the six-party talks are together on this issue," he said. (Shin Hae-in, "P.M.: Seoul Has No intention to 'Absorb' N.K.," *Korea Herald*, February 25, 2011)

Impoverished North Korea is headed for another year of sharp food shortages but its multiple requests for aid appear disproportionate, suggesting it wants to stockpile food rather than feed the hungry, officials in the South said. The diplomatically isolated country has been asking most countries in the world, other than the poorest, for food aid for several months, one official said. "It's all they can talk about -- food," the official said on the condition of anonymity. "It's not news any more that a country's been asked for aid. You tell me a country that hasn't been asked. That'll be news." Another official, also speaking on condition of anonymity, said the drive to secure food beyond immediate needs may be linked to leader Kim Jong-il's push to prepare his youngest son to succeed him and the long-pledged plan to create a "strong prosperous nation" by 2012, the centenary of state founder Kim Il-sung's birth. "They have these big celebrations they have been promising for next year, and it's not going to look good if

they can't come up with presents for the people," the official said. Analysis of North Korea's food production data by international agencies is still incomplete but there is a consensus that there was a modest improvement in the harvest in 2010, according to some South Korean officials and U.N. agencies. The U.N. Food and Agriculture Organization said the North's food output likely grew by 3 percent in 2010 from the year earlier, with total production at 4.5 million tons. One of the government officials said his assessment was that production was in fact higher than the FAO figure, perhaps the best harvest in years. But he said the North still falls acutely short of what is needed to feed its 23 million people even in a good year by as much as a million tons. (Jack Kim, "Hungry North Korea Appears to Be Stockpiling Food," Reuters, February 25, 2011) According to South Korean government statistics compiled between 1991 and 2009, North Korea had bumper crops in 2005 (4.54 million tons) and 2006 (4.48 million tons). The 2010 crop yield has not been officially announced yet, but the UN Food and Agriculture Organization presumes output last year totaled 4.48 million tons, making it the best harvest in 20 years. North Korea's annual food demand is estimated at around 5 million tons. "We start to see people starving to death when food output falls below 3.5 million tons," said Nam Sung-wook of the Institute for National Security Strategy. The late Hwang Jang-yop, the highest-ranking North Korean ever to defect to South Korea, said food output totaled just 2.5 million tons in 1997, when over 1 million North Koreans starved to death. In September last year, Grand National Party lawmaker Kim Moo-sung said North Korea has stored 1 million tons of rice for a war. That is enough to feed the country's 24 million people for three months. Early last year, North Korean authorities temporarily alleviated food shortages during the cold months by tapping into the military's food stores, but sources in the North say the regime shut them again after the attacks on the Navy corvette Cheonan and Yeonpyeong Island increased tensions with the South. "Since 1987, North Korea has been setting aside 12 percent of its rice output as emergency supplies in case of war and 10 percent for military consumption," an intelligence official said. According to data from Statistics Korea in January, North Korean mines contain an estimated 2,000 tons of gold worth W61.3 trillion (US\$1=W1,133) and 5,000 tons of silver worth W1.9 trillion. North Korean leader Kim Jong-il has apparently stashed away more than US\$4 billion in secret bank accounts overseas. Yet there are no accounts that the North sold any of the gold or silver to buy food or that Kim tapped into his funds. "Most of the income from gold mines in North Korea goes into the coffers of either the Worker's Party or Kim Jong-il's own pockets. I heard Kim Jong-il ordered officials to hold on to the gold until the end," said a defector. (*Chosun Ilbo*, "Why N. Koreans Are Starving?" February 25, 2011)

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The U.N. special human rights envoy on North Korea has called on the communist regime to allow its people to better access information, defining the situation on freedom of opinion and expression in the North as "dismal." In a report submitted to the U.N. Human Rights Council, Marzuki Darusman, the special rapporteur on the North Korean human rights situation, expressed concern over government restrictions on media and punishment of any expression deemed hostile toward the Kim Jong-il regime in Pyongyang. "Furthermore, Internet access is restricted to a few thousand people and, currently, the international Internet network is accessible only by a small minority, a few high-ranking officials and foreign diplomats via a satellite link with

servers based abroad," Darusman wrote in a report dated Feb. 21. "Independent media, the liberty to run NGOs (non-governmental organizations) and access to international reporters, who are currently non-existent in (North Korea), are all essential in an open society." (Yonhap, "U.N. Rights Envoy Urges Pyongyang to Give People Access to Online Information," February 27, 2011)

North Korea's Rajin-Sonbong special economic zone is seeing a rapid influx of Chinese businesspeople as the impoverished country becomes more desperate amid international sanctions and the aftermath of a botched currency reform. The zone was established in 1991 to attract hard currency but had been practically idle except for a few small traders, due to tight controls by state security. But now sources say Beijing is pressuring the regime to develop Rajin-Sonbong into a model of Chinese-style reform, and it needs to use Rason Port for its own Tumen River project. This is swiftly attracting Chinese investment to the area. Beijing reportedly even plans to supply electricity to the Rajin-Songbong area. "The replacement of transformers aimed at getting electricity from China is underway, and Chinese electricity is expected to be supplied from April," said a North Korean defector. Beijing has already established an economic mission there that is to handle any conflict with the North Korean authorities. China pressured Pyongyang to sort out traffic, communication and customs issues, and the North apparently agreed to all demands. "Customs clearance took less than five minutes," said a Chinese businessman who visited Rajin-Songbon recently. Previously it took more than three hours and customs officials would extort bribes with false charges. No mobile phone calls to China can be made yet, but landlines are working and mobile phone calls are to be possible soon. Until last year, not even Chinese people were permitted to watch TV channels from abroad and there were tight limits on what they could say or do. But now Chinese are all but free to do as they please in Rajin-Songbon, and the security officials stationed there have been brought to heel and told not to interfere with Chinese business activities. Rajin-Songbong used to have so many security officials that it was said the population was half traders and half police, and they frequently hauled people off for questioning on groundless charges. The North is said to have started selling land in the city to Chinese business at US\$50 per 3.3 sq. m downtown and \$30 in the suburbs. The Chinese still don't trust the North Korean regime and are reluctant to purchase, but the fact that the land is for sale at all is a momentous change. Pyongyang is in negotiations with Beijing to build a massive industrial park in the area like the Kaesong Industrial Complex. "With its isolation deepening due to its nuclear tests, North Korea is seeking a way out through the opening of Rajin-Sonbong," said a recent North Korean defector. It remains to be seen what a role China will play in reforming the North, which has been trying to earn dollars without making any fundamental change to the system, he added. (*Chosun Ilbo*, "Chinese Businesses Pour into N. Korea's Rajin Sonbong," February 26, 2011)

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North Korea threatened to fire aimed shots at South Korean facilities involved in "psychological warfare" in a self-defense action, unless the South suspends its propaganda campaign. "The on-going psychological warfare by the puppet military in the frontline area is a treacherous deed and a wanton challenge to the demand of the times and desire of all the fellow countrymen to bring about a new phase of peaceful reunification and national prosperity through all-round dialogue and negotiations," a

North Korean military official told KCNA. "We officially notify that our army will stage a direct fire at the (Imjin) Pavilion and other sources of the anti-DPRK psychological warfare to destroy them on the principle of self-defense, if such actions last despite our repeated warning," the official added. "The group of traitors in South Korea must stop the anti-DPRK psychological warfare at once, squarely seeing the seriousness of the prevailing situation." Also on Sunday, North Korean representatives at Panmunjom, the inter-Korean border village, reiterated their usual threat against the annual Key Resolve military drills between South Korea and the U.S. forces, which will begin tomorrow. The North Korean officials said their armed forces would launch "an all-out war of unprecedented scale" and turn Seoul into "a sea of fire" if the South Korean and the U.S. "invaders" provoked Pyongyang with a threat of war. (Yonhap, "N. Korea Threatens to Shoot Directly at S. Korean Border Facilities," February 27, 2011) A Seoul lawmaker said Friday that the military has recently been dropping leaflets into North Korea that describe the pro-democracy movement that ousted Egyptian President Hosni Mubarak and has now led to a bloody standoff in Libya. The balloons also contain DVDs about the protests, as well as other basic supplies -- food, radios and medicine. (Chico Harlan, "North Korea Threatens 'Firing Attacks' on South over Leaflets about Mideast Turmoil," *Washington Post*, February 27, 2011)

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South Korea's military has dropped leaflets on North Korea that tell of pro-democracy revolts in the Middle East with the intention of provoking a movement against Kim Jong Il's regime, a South Korean lawmaker said. The leaflets detail popular uprisings that toppled Egypt's government and sparked a bloody crackdown in Libya, explaining that "a dictatorial regime is destined to collapse," Song Yong Sun, a member of the National Assembly's defense committee, said in an e-mailed statement today. The leaflets travel in balloons that distribute their cargo when they burst, according to her office. South Korea has sent over 3 million leaflets across the border in renewed "psychological warfare" since North Korea shelled one of its islands in November, killing four people, the statement said. North Korea's state-run Korean Central News Agency hasn't reported on demonstrations in the Middle East. (Bomi Lim, "South Korea Prods North by Dropping Leaflets Telling of Mideast Protests," *Bloomberg News*, February 25, 2011) The government has apparently told the military to keep quiet about psychological warfare operations against North Korea. A senior government official said February 28 "no government would confirm or deny whether its military is engaged" in activities like sending leaflets and goods attached to helium balloons to the North. "But if the military is openly engaging in such activities, it would obviously need to be stopped." But he added, "It's up to private human rights groups to decide whether to send propaganda leaflets to North Korea. The government shouldn't interfere with this unless there are special circumstances. We have no plans to block such activities." Cheong Wa Dae apparently berated the military for informing some politicians of its psychological operations after Future Hope Alliance lawmaker Song Young-sun revealed government plans to send propaganda leaflets to the North based on a Defense Ministry report. "What military in the world openly reveals its psychological operations?" a senior official demanded. "We're investigating how this happened." Presidential spokeswoman Kim Hee-jung told reporters, "We were unable to confirm whether the military is engaged in such propaganda operations. Issues related to military operations should be verified by the military." The comments do not

mean that high-ranking officials in the presidential office wish to halt psychological warfare but to keep quiet about it. (*Chosun Ilbo*, "Keep Quiet about Psy-Ops, Gov't Tells Military," March 1, 2011)

2/26/11

The Obama administration's weapons of mass destruction policy czar said he believed Washington would accept Seoul's request if it asks for the return of U.S. tactical nuclear weapons to South Korea, adding momentum to growing arguments by local conservative politicians that their redeployment would deter North Korea. Gary Samore, the White House coordinator for arms control and weapons of mass destruction, proliferation and terrorism, discussed his personal opinions with the *JoongAng Ilbo* during a seminar hosted at Tufts University outside Boston. He said he was well aware of the remarks made by senior members of the ruling Grand National Party, who argued yesterday that the U.S. should reintroduce tactical nuclear weapons in the South to protect the country against a military threat from the North. While Washington has not begun official discussion of the issue, the U.S. would say "yes" if Seoul made a formal request, Samore said. He emphasized that it was natural for Washington to accept a request made by a key ally. Samore's remarks were the first time a senior policy maker in the U.S. government has mentioned the possibility of reintroducing tactical nuclear weapons after the issue was discussed following the North's shelling of Yeonpyeong Island in November. At the time, then-Minister of National Defense Kim Tae-young told the National Assembly that the government would consider the possible return of tactical nuclear arms, but he retracted the statement a day later after the Pentagon denied the possibility. Samore said that even if the weapons were redeployed, it would only have a symbolic and political meaning, not military significance, because current U.S. nuclear capabilities near the South, including submarines and weapons deployed at overseas bases, are already more than enough to protect the South. If redeployment takes place, the amount of the weapons that would be based in the South would be small, he said. Samore said China would use every possible diplomatic leverage to dismantle Pyongyang's nuclear arms programs in order to prevent the return of U.S. tactical nuclear weapons, arguing that Beijing may cut off all economic assistance to the North. Asked if the redeployment would run counter to U.S. President Barack Obama's goal of a world free of nuclear weapons, Samore said it would not because Washington would withdraw the weapons as soon as the goal of denuclearizing North Korea is achieved. He said redeploying U.S. tactical nuclear weapons was completely up to the South Korean government, speculating that there was a low possibility of Seoul making such a request. The U.S. special envoy to North Korea, Stephen Bosworth, however, told *JoongAng Ilbo* that the possible return of tactical nuclear weapons to the South was a bad idea. The Blue House refused to comment on Samore's remarks, while the ruling and opposition parties had different reactions. The South Korean government's official position has been the denuclearization of both Koreas. "Although Seoul and Washington had no previous discussion on the return of tactical nuclear weapons, it is an important national security issue, so we need to find out the background of Samore's remarks," a senior Blue House official said. Representative Chung Mong-joon, former chairman of the Grand National Party, yesterday urged the two countries to talk about the idea. "It is rather belated," he said. "Instead of an ambiguous nuclear umbrella, redeployment of the tactical nuclear weapons would be a negotiation card." He also said the

redeployment would be an important tool to press the Chinese leadership and North Korean leader Kim Jong-il. GNP Representative Won Yoo-chul, who heads the legislature's National Defense Committee, agreed. "We should allow the redeployment in order to force China and Russia to actively participate in the efforts to end North Korea's nuclear aspirations," he said. Representative Chung Ok-nim of the GNP also said the redeployment would be a strategic move and not make South Korea a nuclear-armed country. "Tactical nuclear weapons were deployed in the Netherlands and Belgium, although they are not nuclear-armed nations," she said. The liberal opposition Democratic Party yesterday asked both Koreas to remain calm. "I seriously warn the North to stop hostile words and actions threatening inter-Korean peace," DP Chairman Sohn Hak-kyu said. "It is also inappropriate for the government and ruling party to create a crisis on the Korean Peninsula by talking about [...] the possible return of U.S. tactical nuclear weapons at this sensitive time." (Ser Myo-ja, "U.S. Arms Control Chief Backs Nuke Redeployment," *JoongAng Ilbo*, March 1, 2011)

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KCNA: "The U.S. imperialists and the South Korean puppet warmongers are finally launching the DPRK-targeted Key Resolve and Foal Eagle joint military maneuvers. in disregard of the national agreement and the Armistice Agreement. In this regard, the Panmunjom mission of the Korean People's Army released the following statement: As already planned, the huge armed forces of the U.S. imperialist aggressor army and the south Korean puppet army went into combat readiness against the DPRK. Nuclear aircraft carrier and other groups for naval operations were deployed in the waters around south Korea. Flying corps for attack including strategic bombers are on a standby to go into action according to their aggression war method mainly based on air warfare. Such dangerous military maneuvers pose a serious challenge to the demand and desire of all Koreans to defuse the tension on the Korean Peninsula and bring about a new turn for independent reunification, peace and prosperity. The present situation clearly shows why the south Korean group of traitors intentionally brought to rupture the preliminary talks for north-south high-level military talks, provided with much efforts to ease the military tension on the Korean Peninsula. Under this situation, the Panmunjom mission of the KPA, upon authorization, clarifies the principled stand of the army and people of the DPRK: 1. Since they announced that Key Resolve and Foal Eagle are aimed to 'destroy' the system of the DPRK in "contingency" its army and people will go into an all-out offensive to put an end to the U.S. imperialists' military occupation of south Korea and the anti-popular ruling system of the group of traitors. It is a daydream of a fool to hope for 'contingency' and 'collapse' of the Korean-style socialist system, chosen and built by our people themselves. Such tragicomic fancy can be harbored only by the ignorant knowing nothing about our army and people. There will be only world-startling great changes and miracles in the DPRK which is dashing toward the eminence of a thriving nation by dint of single-minded unity. It is quite natural for the army and people of the DPRK to go into an all-out offensive to finally destroy those daringly challenging its dignified socialist system. 2. Now that it has been revealed that the Key Resolve and Foal Eagle joint military maneuvers are to examine the practicability of the adventurous 'plan on local war' against the DPRK, the army and people of the DPRK **will respond to reckless provocation by the aggressors with an all-out war at any time**. The 'plan on local war' of the U.S. imperialists and the group of traitors is an anti-DPRK scenario

worked out allegedly to cope with 'provocation of different types' from someone. This plan is a product of the U.S. imperialists' cunning strategy to weaken and bring down their rival through continued military provocation and pressure. The DPRK has the unbreakable unity of the army and people around the headquarters of the revolution. All its people, with the matchless revolutionary strong army of Mt. Paektu, are in full readiness to penetrate and destroy any provocation and aggression tactics at a stroke. If the aggressors launch provocation for a "local war" the world will witness unprecedented all-out counteraction on the part of the army and people of the DPRK. It will also see such merciless counteraction as engulfing Seoul in sea of flames, whereby to smash every move for confrontation with unimaginable strategy and tactics. 3. Since Key Resolve and Foal Eagle are aimed at removal of the DPRK's nuclear weapons and missile, **its army and people will counter the nuclear blackmail by the aggressors with our own nuclear deterrent and their missile threat with our own missile striking method.** The reality proves that the U.S. imperialists and the south Korean group of traitors are the very one spoiling the denuclearization of the Korean Peninsula as they hurl all sorts of nuclear attack means, including group of warships loaded with nukes and corps of strategic bombers, in south Korea and its vicinity under the pretext of the said joint military maneuvers to pose a nuclear threat to the DPRK. It also fully reveals that the present U.S. administration's call for nuclear-free world is nothing but a showy signboard. **As been already declared, the army and people of the DPRK will return bolstered nuclear deterrent of our own style for the continued nuclear threat by the aggressors and our own missile striking action for their vicious attempt to eliminate our missiles.** Peace is of value to the DPRK. Detente is also what it steadily desires and needs. However, its army and people will take resolute military counteractions now that the U.S. imperialists and the group of traitors responded to the DPRK-proposed wide-ranging dialogue and negotiations for peace and detente with military actions for aggression. (KCNA, "KPA Mission Statement on U.S.-S. Korea Joint Military Exercises," February 27, 2011)

KCNA, "The south Korean group of traitors are nowadays getting hell-bent on the anti-DPRK psychological warfare, driving the situation of the Korean Peninsula to overall confrontation. The group let 25 anti-DPRK conservative organizations, including the "Federation of Movement for Freedom in the North", scatter by big balloons hundreds of thousands of leaflets, USB and DVD containing corrupt animation files, foul pamphlets and one dollar notes in direction of the north side's area from the Rimjin Pavilion around the great holiday of the Korean nation. In the past the group used to assert that the authorities had nothing to do with such scattering by civilian conservative organizations. But, this time it made wicked lawmakers from the 'Grand National Party' involved in the warfare, revealing that north-south confrontation is its 'state policy.' In the meantime, the **south Korean puppet military did not hesitate to commit such unpardonable crime as letting balloons** carrying baskets of clothes, rotten videos and books fly to the areas of the DPRK side. Anyhow, the group of traitors is seriously mistaken. It seeks to undermine the socialist system in the DPRK, which displays its dignity by dint of single-minded unity and Songun, and waver its army and people's faith with mobilization of such human scum and foul things. But this is a foolish daydream that can never be realized. The group's more persistent

psychological warfare is timed to coincide with Key Resolve and Foal Eagle joint military exercises to be staged by the U.S. imperialists and south Korea against the DPRK. In this regard **the head of the north side delegation to the inter-Korean general-level military talks** on Sunday [today] pointed to the ongoing psychological warfare by the south Korean puppet military authorities and sent the following notice clarifying the Korean People's Army's principled stand: The on-going psychological warfare by the puppet military in the frontline area is a treacherous deed and a wanton challenge to the demand of the times and desire of all the fellow countrymen to bring about a new phase of peaceful reunification and national prosperity through all-round dialogue and negotiations. **We officially notify that our army will stage a direct fire at the Rimjin Pavilion and other sources of the anti-DPRK psychological warfare to destroy them on the principle of self-defense**, if such actions last despite our repeated warning. The group of traitors in south Korea must stop the anti-DPRK psychological warfare at once, squarely seeing the seriousness of prevailing situation." (KCNA, "KPA Warning Sent to S. Korean Military for Psywar," February 27, 2011)

1/28/11

South Korea has no plan to seek the return of U.S. tactical nuclear weapons to the peninsula, as Seoul remains committed to a 1991 denuclearization deal with Pyongyang, government officials said. "Our government is not considering a way to request that the U.S. redeploy its tactical nuclear weapons," a senior official at the presidential office Cheong Wa Dae said on the condition of anonymity. "The joint declaration for the denuclearization of the Korean Peninsula remains valid." He was responding to a news report that Gary Samore, the White House coordinator for arms control and weapons of mass destruction, proliferation and terrorism, said that Washington would agree to the idea of redeploying tactical nuclear weapons if South Korea made an official request. But Samore was quoted as adding that his comments represented nothing more than his personal view of the situation. In a press briefing, Cheong Wa Dae spokeswoman Kim Hee-jung refused to comment on Samore's reported remarks. "I am not in a position to reveal our country's position on a personal opinion by an official of a foreign nation," she said. Asked if the inter-Korean denuclearization agreement remains valid, Kim said, "There has been no change in the principle." Foreign Ministry spokesman Cho Byung-jae also said in a separate press briefing, "The (South Korean) government already expressed its position with regard to the issue of redeploying tactical nuclear weapons in the early 1990s and there is no change in it." (Yonhap, "S. Korea Not Mulling Return of Tactical Nuclear Weapons: Gov't," February 28, 2011) Select ruling GNP lawmakers and conservative media have begun to revisit the issue of the redeployment of U.S. tactical nuclear weapons to South Korea, which were withdrawn in the early 1990s, as a response to the North Korean nuclear program. Experts and the government, however, are showing skepticism, saying there is no possibility of this happening and that the disadvantages outweigh the benefits. In an editorial today, *Joongang Ilbo* openly said it supports the redeployment of U.S. tactical nuclear weapons to Korea until the denuclearization of North Korea is realized. *Segye Ilbo* also wrote in a February 25 editorial that the redeployment should be considered, saying that as long as North Korea failed to permanently abandon its nuclear program, a redeployment of U.S. tactical nuclear weapons could be a realistic response. *Chosun Ilbo* is also taking an attitude seemingly in support of South Korea possessing nuclear weapons, running a series of columns by

writers with the newspaper calling for South Korea to arm itself with nuclear weapons. Prior to this, GNP Lawmaker Chung Mong-joon on February 25 called on the government to consider reintroducing U.S. tactical nuclear weapons, saying the US nuclear umbrella alone could not get North Korea to abandon its nuclear program. Lawmaker Chung Ok-im also called for a conditional redeployment, saying, "If North Korea abandons its nuclear program after the United States redeploys tactical nuclear weapons South Korea could have them withdrawn." A high-ranking Cheong Wa Dae official said today, however, "Redeployment is not at all being considered, and we have never even considered asking the United States." "South Korea made its position known regarding the issue of redeploying tactical nuclear weapons back in the early 1990s, and nothing has changed since then," said Foreign Ministry spokesman Cho Byung-jae in a regular briefing today. In fact, the majority view within and outside the government is critical of the utility of a redeployment of tactical nuclear weapons. "South Korea is currently under the U.S. nuclear umbrella, and while 5 to 10 minutes could be saved on a response if nuclear weapons were introduced into South Korea, this is militarily meaningless," said a South Korean government official in response to whether a redeployment could deter a North Korean nuclear attack. "South Korea's lack of nuclear weapons gives South Korea a moral advantage over North Korea, and through this has been calling for North Korea to denuclearize," said another official. However, the official also expressed concerns that if nuclear weapons are brought back into Korea, the nuclear issue would never be resolved. That is to say, not only would it encourage a Cold War nuclear confrontation, but it could also lend support to North Korea's arguments to strengthen its nuclear capabilities. Some conservatives argue that the redeployment of U.S. tactical nuclear weapons could be a means to pressure China to make North Korea give up its nuclear program. In response, Peace Network head Jeong Uk-sik said, "If the United States and South Korea had done all they could to resolve the nuclear issue through dialogue, China could think differently, but if the Obama administration were to redeploy tactical nuclear weapons without holding six party talks even once, China will move even less." (Yi Yong-in, "Conservatives Renew Call for Nuclear Weapons on Korean Peninsula," *Hankyore*, March 1, 2011) Washington has no plans to redeploy tactical nuclear weapons on South Korean soil despite North Korea's recent provocations. In an interview with Yonhap on March 1, Robert Jensen, deputy spokesperson for the National Security Council said that Washington's policy remains in support of a non-nuclear Korean Peninsula. There is no plan to change that policy, he added, as tactical nuclear weapons are unnecessary for the defense of the South. (*Chosun Ilbo*, "U.S. Has No Plans to Redeploy Tactical Nukes to S. Korea," March 2, 2011)

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South Korea's defense minister instructed his troops not to hesitate to act immediately if they are attacked by North Korea, as he toured the western inter-Korean border wrought with tension after Pyongyang threatened to fire if provoked. "**During an operation, don't ask whether to shoot or not. Report after taking action first,**" Kim Kwan-jin said during his visit to the First Army Corps, which oversees the tourist zone of Imjingak that the North on Sunday threatened to shoot at, officials said. (Yonhap, "S. Korea's Defense Minister Tells Troops Act Fast If Provoked," March 1, 2011)

DPRK FoMin spokesman: "Key Resolve and Foal Eagle joint military exercises go to prove once again that the U.S. hostile policy to hinder the peaceful development of the DPRK in every way and stifle it by force of arms remains unchanged. They are the U.S. exercises for a war of aggression against the DPRK to put pressure upon the East of the Asian Continent and thus put the whole of the Korean Peninsula under its military control. They are exercises for a nuclear war involving huge nuclear offensive means of the U.S. now under way according to an operational plan for making a preemptive nuclear attack on the DPRK. The U.S. is talking about "provocations" from someone but the on-going joint military exercises cannot but be viewed as provocations. Given the fact that the international community unanimously expresses serious concern over the tense situation on the Korean Peninsula, this saber-rattling is itself a blatant provocation. The exercises whose purpose is to cope with the "contingency" of somebody and their nature suggests that they are the most serious provocation. It was expected that south Korea would work hard to torpedo dialogue through all kinds of provocations to keep the confrontation prevailing between the north and the south. As soon as the present south Korean authorities took power, they denied the reconciliation and cooperation between the north and the south. They are, therefore, under the political burden to justify their policy for escalating the confrontation at any cost till the next elections. What merits a serious attention is a selfish aim of the U.S. to meet its strategic interests by taking advantage of such intention of the south Korean authorities. The U.S. is contemplating egging the south Korean authorities on to screw up the tension on the Korean Peninsula in a bid to round off the U.S.-Japan-south Korea triangular military alliance and establish military domination over this whole region. The U.S. responded with its vicious military provocation to the DPRK's proposal for avoiding actions which can be considered by each other as provocations and building confidence through dialogue and negotiations. It is nonsensical and hypocritical for the U.S. to talk about "sincere" dialogue, while kissing the south Korean authorities. The DPRK has done what it can to make necessary dialogues successful as far as possible without any precondition, not webbed to modality of dialogue, prompted by the single desire to defuse the tension on the Korean Peninsula and ensure peace and stability there. The international community as a whole concerned about the escalating tension in the peninsula and the region is expressing positive support for the peace-loving efforts of the DPRK for dialogue. The army and people of the DPRK are expressing irrepressible resentment at the U.S. for its high-handed act of staging the large-scale war maneuvers against the DPRK again quite contrary to the trend of the times. Inevitable is the physical counter-action on the part of the army of the DPRK for self-defense. **The hard-won opportunity of dialogue and detente is fading away.** The U.S. should be wholly accountable for all the consequences to be entailed by its military provocations. The DPRK is ready for both dialogue and confrontation. The U.S. would be well advised to know well that it would lose more than what it would gain by escalating the military tension on the peninsula." (KCNA, "FM Spokesman on DPRK Ready for Both Dialogue and Confrontation," March 1, 2011)

U.S. special envoy Stephen Bosworth told the U.S. Senate Foreign Relations Committee, "We do not regard regime change as the outcome of our policy, but we do regard a change in regime behavior as necessary to any fundamental improvement in the overall relationship." Bosworth added that he told North Korean officials in his

last visit to Pyongyang in 2009 that the regime shouldn't operate "under the fear that we are dedicated to and determined to undermine the regime." The United States has turned down the North's requests for talks, urging the two Koreas to engage in dialogue first before North Korea engages with other countries. Assistant Secretary of State for East Asian and Pacific Affairs Kurt Campbell told the congressional hearing, "We believe that North-South dialogue is an important initial step toward the resumption of the six-party talks. North Korea's decision to walk out of the recent military talks squandered a valuable opportunity to improve relations and demonstrate its commitment to dialogue." Seoul has also demanded "**responsible action**" from North Korea for last year's provocations, including the sinking of the South Korean corvette Cheonan and the attack on Yeonpyeong Island. "If North Korea **improves relations with South Korea and demonstrates a change in behavior**, including taking irreversible steps to denuclearize, complying with international law and ceasing provocative behavior, the U.S. will stand ready to move toward normalization of our relationship," Campbell said. "The United States remains committed to meaningful dialogue, but we will not reward North Korea for shattering the peace or defying the international community." Bosworth said that sending food to the North could be possible if the distribution was closely monitored. "We provide food aid when we see a perceived need and in a way that we can monitor how the food aid is used and who the recipients are," he said. "The choice here is whether these people are allowed to starve. It's a humanitarian issue, not a political one." It is a decision that is still to be made, and Campbell said yesterday that North Korea would go a long way before directing funds from its nuclear programs to feed its people. "They have demonstrated historically that they are prepared to allow enormous suffering," he said. Diplomatic sources say North Korea has contacted other countries, including the U.K., France and Germany as well as Southeast Asian nations, for food. (Christine Kim, "U.S. Envoys to North: Change, Not Ouster, Is Goal," *JoongAng Ilbo*, March 3, 2011) At the hearing, U.S. Senator John Kerry (D-Ma) urged the Obama administration to engage North Korea bilaterally to pave the way for the early resumption of multilateral talks on the North's denuclearization. Kerry, chairman of the Senate Foreign Relations Committee, said, "Given these very real risks, the best option is to consult closely with South Korea and launch bilateral talks with North Korea when we decide the time is appropriate," Kerry said. "Let me make this clear. Fruitful talks between the US and North Korea can lay the groundwork for the resumption of six-party talks." (*Korea Herald*, "N.K. regime Change Not Washington's Goal," March 2, 2011) The United States strongly hinted that it would proceed conditionally with providing food aid to North Korea. "We do separate humanitarian assistance from political issues" said U.S. Special Representative for North Korea Policy Stephen Bosworth at a U.S. Senate Committee on Foreign Relations hearing. "We provide food aid when we see a perceived need and in a situation in which we can monitor how the food aid is used, who are the recipients of that food aid, and does it go to the people to whom we intend it." Bosworth also said that humanitarian food aid from the United States would be contingent on the satisfaction of three conditions, namely the necessary level of food aid, whether aid is more urgently needed than in other countries, and whether it would be possible to verify that the food is being distributed to the residents who need it. The same principle is applied for all countries, Bosworth

stressed. Although this does not represent a move away from the Barack Obama administration's previous position, small signs have been detected of a shift in overall emphasis toward the provision of food aid. By noting that the United States is currently assessing North Korea's need for aid and plans to engage in subsequent discussions with Pyongyang about the monitoring system, Bosworth also hinted at the possibility of a meeting between the United States and North Korea with regard to the aid issue. However, he also stressed that the U.S. would "not provide food aid without a thorough assessment of actual needs and adequate program management, monitoring, and access provisions to ensure that food aid is not diverted or misused." The hearing showed signs of differing degrees of receptiveness to dialogue with Pyongyang between the administration and Congress. Senate Foreign Relations Committee Chairman John Kerry suggested talks between the United States and North Korea, noting the need to "launch bilateral talks with North Korea when we decide the time is appropriate." Expressing the position that maintaining the "status quo" without any actions toward North Korea only gives the country time to develop nuclear weapons, Kerry called for active diplomatic efforts. "We must get beyond the political talking point that engaging North Korea is somehow 'rewarding bad behavior,'" Kerry added. However, Assistant Secretary of State for East Asian and Pacific Affairs Kurt Campbell expressed the position that North Korea and South Korea should engage in dialogue first, stating that improvement of inter-Korean relations and meaningful steps toward denuclearization were a precondition for normalization of relations between Washington and Pyongyang. Campbell said that the U.S. "supports direct talks between the DPRK and the ROK" and that "North-South dialogue is an important initial step toward the resumption of the six-party talks." Meanwhile, U.S. State Department Special Advisor for Nonproliferation and Arms Control and U.S. Coordinator for Iran and North Korea Sanctions Robert Einhorn, who is currently in South Korea to discuss matters such as amendment of the South Korea-U.S. nuclear pact, met Wednesday with Wi Sung-lac, Special Representative for Korean Peninsula Peace and Security Affairs with the South Korean Ministry of Foreign Affairs and Trade, at the Central Government Complex annex on Seoul's Sejongno Road. Following the meeting, Einhorn said that the two countries were pushing for a United Nations Security Council Presidential Statement to clearly state that North Korea's uranium enrichment program is in violation of a UNSC resolution and the six-party talks joint statement of Sept. 19, 2005. (Kwon Tae-ho, "U.S. Explores Food Aid to North Korea," March 3, 2011)

Carlin SFRC testimony: Once upon a time, not so long ago, we learned three valuable lessons about dealing with North Korea. First, it is indeed possible to advance US national security interests through negotiations with Pyongyang. We even found that we had considerable leverage with the North Koreans if we did more than merely paint pictures for them of a sweet and fanciful future. Second, in talks with the North it is possible to break down complex, seemingly insurmountable problems into component parts and then focus on the parts in a logical order, so that successfully dealing with the first (usually the easiest) boosts the chances of dealing with subsequent, more difficult items. Third, contrary to the common wisdom, if an agreement is thoughtfully constructed and implemented, the North Koreans will abide by the core of it as long as we do. It should not be a surprise to discover, however that they are likely to game the process, exploiting ambiguities and hedging their bets.

These are not theoretical classroom lessons or the fruit of idle speculation. They come from real experience over many years. Yet we did a poor job of explaining this experience to the Congress and to the American people. As a result, what we learned, as well as what we accomplished, was buried under a mountain of myth, where it has remained for many years. Today, the catch phrase "we won't buy the same horse twice" is taken as wisdom in dealing with the challenges posed by North Korea. Unfortunately, it is based on the mistaken but all too easily accepted belief that negotiating with the DPRK is an exercise in flimflamery. Twinned with that is an assumption, fervently held by many who should know better, that we have, or can garner, enough power to dictate outcomes to the North Koreans. And if they don't do as we insist, the thinking goes, we can wait until they collapse or the Chinese make them come around. There may be a few still in Washington who remember that in the early 1990s, discussion about North Korea policy centered around the idea of preparing for a "soft landing" - that is, preventing the very scenario that takes up so much nervous energy in various capitals these days, a calamitous and highly destabilizing collapse of North Korea. The concept of a soft landing had a number of advantages as a core policy precept. Notably, it did not handcuff us to fixed and unachievable goals. Instead, it provided necessary maneuver room to pursue our national interests in dealing with the North as the situation warranted. What it did not allow or envision was sitting and waiting while another country shaped the future of Northeast Asia. ...I am not attempting to describe a golden era of a lost age. For one thing, in those days, we still had much to learn about dealing with North Korea, at that point not having engaged the North except in the Military Armistice Commission talks at Panmunjom. In fact, then as now many people didn't see the point in even talking to the North Koreans. Our problem on the peninsula was still seen as largely military. A number of changes in the late 1980s, however, drove home that sending an aircraft carrier to cow the North was no longer a sufficient response. Inter-Korean dialogue and the North's development of a nuclear program meant that the issues for Washington had multiplied and that the challenges presented by the North had become as much diplomatic as military. It was clear to us that the North Koreans wanted to talk—but why? We developed a pretty good idea ten years ago as we listened to what they said and observed their reactions over hundreds and hundreds of hours of formal and informal contacts. Nor did we merely listen. We explained, we educated, and on occasion, we pounded the table. But then, abruptly in 2001, we stopped talking and, apparently, stopped listening. As a result, we have lost a decade in which to deal with the situation on the Korean Peninsula. Not only that, in the bargain we tossed overboard all that we had previously gained. As a result, the situation we face today is much more difficult, our leverage is smaller not greater, and our room for maneuver is even more curtailed. If there was a chance ten years ago that we might have stopped the North from conducting nuclear tests and building a small nuclear arsenal—and I believe we did have a good chance—the game has now changed, and not in our favor. Let me be clear. Our problems dealing with North Korea are not confined to one administration or one party. In the deepest sense, they reflect our national inability, intellectually and emotionally, to understand how states like North Korea work. We fall into overly simplistic thinking. We trap ourselves into seeing only two dimensional figures. Our difficulties are compounded by the fact that public discourse about the North in the US has long been crippled, condescending,

irrelevant, and, like heartburn, episodic. There is a general impression in the US that North Koreans live in a blasted landscape similar to the moon, and that all but a privileged few are hollow-eyed and slack-jawed. Any observer contradicting that image, even purely as a matter of fact, becomes suspect. The word has gone out that we and our allies aim to force the North to change its “unacceptable behavior.” We will not negotiate until the North creates the “conditions” for negotiations. If that is our goal, the climb is steeper than we imagine. Years ago, the North Koreans were taught, and the lesson has since been endlessly reinforced, that the world rarely rewards them for good behavior, because whatever they do is never deemed good enough. If they “behave,” many North Koreans have become convinced that they will become part of the great power woodwork, something to be ignored and scuffed by the furniture on the way out. It is widely and confidently stated that North Koreans inhabit the most isolated country on earth. How one would measure such a thing I have no idea, but assuming it approaches the truth, then it must also be true that we are isolated from them. Isolation, after all, is a two-way street. Yet, in fact, we are more isolated from the North Koreans than they are from the rest of the world. Though the numbers are small in comparison to what are now world standards, DPRK delegations are constantly traveling abroad. DPRK officials tune in outside radio and television, read outside books and newspapers detailing our politics and society. By contrast, at the official level, we keep ourselves largely pristine, don't go there, rarely let them come here, and overall keep contact as limited as we can on the grounds that exposing them to our thinking and our society, our culture and our values is a benefit, a present, a gift. No visas for the DPRK State Orchestra because...well, because. The result? The North Koreans reap tactical benefit from our ignorance, while we develop as a substitute for knowledge a fog of myths about them. And through this fog the North Koreans have learned to maneuver pretty well, like Drake's small ships among the galleons of the Spanish armada. Now that Pluto is no longer a planet, some people seem to think it has been replaced by North Korea in the universe of strange, cold, and distant places. As it happens, we could define Pluto out of existence. We cannot do the same with North Korea, even if at times our fondest hope is to hold our breath until the country goes away. Ultimately, progress toward our goals in dealing with North Korea depends not so much on the weight of the force we bring to bear—sanctions, UN resolutions—but on how well we understand the North Korean regime and its views of domestic and foreign policy challenges. If we fail to grasp that North Koreans believe they have their own national interests, then we fall into the trap of thinking we can force them, sweet talk them, or bribe them into doing what we want. To return to my first point, diplomacy has proven it can work with North Korea if it seeks to discover those places where interests overlap. To the extent that we signal to the North Koreans that we don't see a place for them in our vision of the future of the region, we undermine the basis for realistic discussion of the circumstances in which we might coexist. Do, in fact, such areas of overlapping interests still exist? It is hard to imagine getting at an answer if we don't actually sit down and explore the landscape. Insisting that the North Koreans must first demonstrate a strategic decision to accept our outcome is a sure way of going nowhere fast. We don't have to know everything about the North to know enough to operate intelligently and effectively in our dealings with them. Here are five interrelated subjects on which a lot of homework remains to be done.

The threat. Compared to where we used to be in our perception of the North Korean military threat, I think we are now on firmer ground, certainly more realistic. I applaud the careful assessment in DNI Clapper's testimony earlier this month, as well as recent comments on this subject by General Sharp, the Commander of US Forces Korea. North Korea is largely in deterrent-defensive mode-- militarily, diplomatically, and in every other way. That, indeed, has been the case for quite a while, and to the extent we can factor that into our calculations and our actions, I believe it more likely we can make progress in dealing with the North. At the same time, and this is crucial, we should not fool ourselves into thinking that we have the North in a box. They have teeth, and as we have seen, they will use them if they feel threatened or toyed with.

The economy. Certainly within the memory of many people in North Korea, there was a time when the North was far ahead of China economically and was, to some extent, seen by parts of the Third World as a beacon of development. We tend to look at the North and see a country hopelessly backward; they see themselves as capable and modern thinking but down on their luck. They make occasional runs at fixing things. Whether they can actually sustain economic revitalization policies long enough to show results, I do not know. If history is a guide, they seem unlikely to get very far on that path without significant changes in how they formulate and apply such policies. Nevertheless, they know very well their economy is not doing well, and they are constantly looking for ways to do better. Again, taking this into account in our own approach can pay dividends. We're not talking here about "bribes" or a "buyout," but rather using the North's own momentum and goals in a way that helps us achieve our own.

The succession. At this point, there is no question that Kim Jong Il's youngest son is being groomed and, more than that, moved into position as the successor. Chinese visitors have met him several times. I trust that we have asked them for their impressions of him. Given how grossly inaccurate early assessments by many outside observers were of Kim Jong Il, I would urge caution in accepting most of what appears in the press (or even official reporting) about the son's personality or potential. In the absence of very good information to the contrary, I wouldn't operate on the assumption that the succession will fall apart, especially if it has several more years to take root. It was an article of faith of many analysts and governments in 1994 when Kim Jong Il took over from Kim Il Song that he wouldn't last a year. Nearly 17 years later, one hopes they have learned from their mistakes.

The "collapse." Anything is possible once the dam breaks in a society that has for years been under extremely tight political and social constraints, but I wouldn't put my money on the likelihood of near-term North Korean collapse. Yes, of course it makes sense to think about that possibility and to develop scenarios for dealing with such a contingency. In my view, however, it does not make sense to base a policy on the assumption that a collapse will happen soon--that is, in the next 2-3 years. Even those in South Korea normally anxious to portray the North Korean regime as fraying at the edges do not want to lean too far forward at this moment in predicting the likelihood that the uprising contagion from the Middle East will reach North Korea. One thing that ought to be of concern, if we are to look at scenarios, is the possibility that if and when serious social and political unrest ever arrives in the North, it will quickly descend into violence that could make Libya look like a tea party, dragging outsiders into a prolonged, bloody struggle for power.

The role of China. One can get very cogent advice from any number of China experts. All I can say is that having watched Sino-North Korean relations for 30 years, my feeling is that many China experts tend to miss the point that Beijing views North Korea differently than how it views the rest of the world. Consequently, Beijing's policies toward the North often do not track with its broader foreign policy. Sino-Korean relations have had numerous ups and downs over the years. They are very warm right now, perhaps the closest they have ever been. They are unlikely to stay good forever, and we should not treat North Korea as if it is (nor should we want it to be) in China's pocket. But for several years to come, unless, South Korea or the US do something to provide the North with an alternate future, the Chinese shadow over North Korea will grow more pronounced. Even if that translates into increased Chinese leverage over the North (which I tend to doubt), it doesn't mean we can breathe a sigh of relief. North Korea obviously isn't the jewel in the crown in Northeast Asia, but how the Korean issue is handled will probably be a decisive factor influencing the region for decades to come. The basic problem we face on the Peninsula today is a hangover from the first half of the 20th century. It is, or ought to be, a constant reminder of policy missteps made many years ago by all sides. I'd hope we would spare a little time and effort to ensure we don't make similar mistakes again. As much as fires in the rest of the world and issues at home loom large, there is no reason for us, through inattention or ignorance, to sow the seeds of problems that could bedevil East Asia for a long time to come. (Robert Carlin, Testimony before the Senate Foreign Relations Committee, March 1, 2011)

Gen. James Thurman has been nominated to replace Gen. Walter Sharp at the helm of U.S. Forces Korea, Defense Secretary Robert Gates announced. Sharp, who will retire at the end of his tenure in South Korea, has led USFK since replacing Gen. B.B. Bell in June 2008. Thurman is currently the head of Army Forces Command, the Army's largest organization, and oversees the manning, training and equipping of more than 700,000 soldiers in the U.S. He is the former commander of V Corps in Heidelberg, Germany, and commanded a division in Iraq, Gates said. (*Stars and Stripes*, "Thurman Selected to Replace Sharp as Commander of USFK," March 1, 2011)

3/2/11

North Korea has apparently extended its bid to secure food aid from the international community by asking visiting diplomats for help, a government source said. A diplomat from a European Union member country who visited Pyongyang in February was caught off guard when officials there requested aid in the form of rice, the source said. The source declined to name the diplomat or country, which maintains diplomatic relations with the North. (*Korea Times*, "N. Korea Asks Visiting Diplomat for Rice Aid," March 2, 2011)

Cheong Wa Dae seems increasingly keen to open dialogue channels with North Korea. President Lee Myung-bak in a speech marking March 1 Independence Movement Day on Tuesday once again urged North Korea to hold talks with the South. All that looks like appeasement. In recent days, senior Cheong Wa Dae officials have been hinting through comments to reporters that North Korea stands to gain a great deal if it simply shifts its stance a little. So far Lee has advocated a quid-pro-quo approach to North Korea, shutting off aid as long as the North refuses to live up to its

pledge to scrap its nuclear weapons. But as he starts the fourth year of his five-year term, he is apparently changing his mind due to political considerations.

⊖ Managing Risk: Further North Korean provocation during the final year of his term could hurt the Lee Myung-bak administration and lead to further complications. "2012 will be an extremely volatile year since presidential elections are held in South Korea and it's the target year for North Korea to become a 'powerful and prosperous nation.' Also, China and Russia will see new leaders stepping in," said a senior government official.

⊖ Need for Progress: Lee has been given high marks in foreign policy and his handling of the country's economy. But his hardline North Korea policy is unpopular, with some blaming it for provoking North Korea's attacks on the Navy corvette Cheonan and Yeonpyeong Island last year and its second nuclear test in 2009. Officials in previous administrations also point out that presidents in their fourth year tend to think about some kind of historic legacy they can leave.

⊗ U.S. and Chinese Pressure: The leaders of the U.S. and China have called on South Korea to engage in "constructive" inter-Korean relations, adding pressure to the Lee Myung-bak administration. If the U.S. moves toward resuming the stalled six-party nuclear talks, South Korea could find itself isolated. (*Chosun Ilbo*, "Why Is Lee Softening on N. Korea?" March 2, 2011)

Kyunhyang Shinmun editorial: Immediately after it came to power, the Lee Myung-bak administration placed strain on inter-Korean relations by refusing to accept the contents of the October 4 Summit Joint Statement, made in 2007, which brought groundbreaking progress in dialogue and economic cooperation between the two Koreas. When this was added to by the shooting of a South Korean tourist at North Korea's Mt. Kumgang, inter-Korean tourism was stopped completely and relations became even worse. At precisely this time, on Independence Day, August 15, 2008, President Lee urged comprehensive dialogue and economic cooperation between North and South Korea, as if he had been living altogether somewhere else. Lee displayed the same attitude on Independence Day in 2009. At a time when the UN had passed a resolution applying sanctions to North Korea and the North's nuclear threat was in the spotlight, following its long-range rocket launch and second nuclear test in May 2009, Lee made an off-the-wall proposal for "reduction in conventional weapons between North and South Korea." Lee, of course, made no subsequent mention of this suggestion. Last year, in his Independence Day celebratory address, he suggested, out of the blue, that South Korea prepare a reunification tax. Despite his inability to keep the peace when it comes to events unfolding before his eyes, Lee made the far-reaching assertion that "we must go beyond management of national division, and make peaceful reunification our goal." At a speech yesterday to mark the March 1 Independence Movement, too, Lee said, "There is no reason why we cannot help North Korea," "now is the right time to open the way to a new future for the Korean Peninsula," and "we are prepared to hold dialogue with North Korea at any time, with open minds." Despite neglecting the broken-down relations between North and South Korea, Lee has once again called for others to work on improving them. Lee is floating the restoration of dialogue with North Korea, which could be made to happen immediately, in the air like an abstract concept that can only be recited in the form of a mantra. This is beyond comprehension. Is North-South dialogue, to the president, not

a real issue but a dead language, to be employed as a matter of etiquette and only at memorial events? If this is not the case, it makes no sense that Lee has used North-South dialogue for the past three years not as a means of improving strained North-South relations, but only as rhetoric to fill the text of his speeches. There is, in fact, a policy toward North Korea that Lee's administration is promoting with great ambition, though it bears no relation to his rhetorical talk of dialogue. This is the Ministry of National Defense's scattering of flyers over North Korea. At one time, when North Korea objected to the scattering of flyers over North Korea by conservative South Korean groups, the government explained, "We have requested that they stop, but they don't listen." This is because not even the government can escape the fact that provoking North Korea is not helpful to reconciliation and cooperation. Now, however, the government itself is said to have started scattering flyers denying and slandering the North Korean system, along with radios and disposable products, over North Korea. What excuse will the South Korean government have if North Korea attacks, asking, "Does the kind of sincere dialogue you're talking about consist of thinking of ways to bring down our system through the back door while making empty suggestions of talks?" Does the Lee government really have no other option to empty talk of dialogue and the scattering of flyers? Does it really believe that these things can keep peace and stability and bring about peaceful unification? (Editorial, *Kyunhyang Shinmun*, March 3, 2011, excerpted in KCNA, "S. Korea Authorities' Empty 'Talk about Dialogue,' Accused," March 4, 2011)

3/3/11

South Korea's defense chief ruled out the possibility that U.S. tactical nuclear weapons could be redeployed in the South amid renewed concerns over North Korea's repeated provocations and nuclear aspirations. Asked by a lawmaker about calls from some conservative politicians over the need to redeploy U.S. tactical nuclear weapons, Defense Minister Kim Kwan-jin said the South "has made no consultation (with the U.S.) so far and no plan to consult in the future." Kim told lawmakers in a parliamentary session., "However, I have a common understanding for claims by some lawmakers that we need to have the capability to deter North Korea's nuclear (weapons)," Kim's remarks echoed comments a day ago by Robert Einhorn, the U.S. State Department's special adviser for nonproliferation and arms control. Einhorn, who is in Seoul for talks with South Korean officials, told reporters the U.S. has "no plan, we have no intention to deploy U.S. tactical or other nuclear weapons in South Korea." (Yonhap, "Defense Chief Rules out Possibility of Redeploying U.S. Tactical Nukes," March 3, 2011)

Four out of the 31 North Koreans whose fishing boat drifted across the maritime border in the West Sea on February 5 want to defect to South Korea, the government said. Seoul is sending the remaining 27 along with their boat back home through the border truce village of Panmunjom tomorrow. According to a government official, the four who wish to defect are the 38-year-old male captain of the ship, another 44-year-old man and two women aged 21 and 22. They apparently did not decide to stay until Wednesday morning, which was the last day of their questioning by the South Korean military. "Four North Koreans stated their clear intention to defect on Wednesday afternoon during questioning," the official said. "It looks like they waited until the last moment to decide." The captain is apparently afraid of punishment if he is sent back and made his decision when he saw how different life in the South is from the North during his 20

days here. The other man and the 22-year-old woman are said to be close. It is unclear why the 21-year-old woman decided to defect. An intelligence official with experience in questioning North Korean defectors said, "In many cases, North Koreans who defect to South Korea after drifting across the maritime border either have few family members in the North or are afraid of being punished for going to the South if they're sent back." Officials from the National Intelligence Service, Defense Security Command, military intelligence and police who questioned the North Koreans apparently showed them videos showing how South Korea has developed. There are even accounts saying they were taken on a tour of Seoul. According to the Unification Ministry, North Koreans have drifted into South Korean waters on 30 occasions since 2004, and in only two cases did some of them choose to stay in the South. In February 2008, in the final years of the Roh Moo-hyun administration, 22 North Koreans drifted across the Northern Limit Line and all of them were sent back after just a day of questioning. "The North Koreans who returned were initially used for ideological propaganda but were eventually sent to political prison camps for having experienced life in South Korea or ended up being placed under constant surveillance," a North Korean source said. The 27 North Koreans who return home are expected to be thoroughly interrogated about what they saw, heard and ate in South Korea and why four of their companions decided not to return. North Korea's Red Cross in a statement demanded all of the 31 must be returned. "All of our people must be repatriated in accordance with human rights and humanitarian causes. This is crucial to inter-Korean relations," it said. "South Korea's handling of this matter will change our perception of it." It was apparently a roundabout threat to link the matter to inter-Korean political issues. Judging by that statement alone, the defection of the four is likely to have a significant impact on cross-border relations. Pyongyang has vehemently protested and accused the South of coercion whenever some members of a group of North Korean drifters decided to stay in South Korea. "Inter-Korean relations could become even more strained if the 27 North Koreans who return to the North appear on state television and accuse South Korean intelligence officers of persuading the four to stay," said Kim Yong-hyun, a North Korea expert at Dongguk University. (*Chosun Ilbo*, "Why 4 N. Koreans Decided to Stay at Last Minute," March 4, 2011) KCNA said on March 6 that Seoul was notified of Pyongyang's demand for the "unconditional and prompt repatriation of all of its 31 detained inhabitants and their ship through the waters to which they had drifted." "The DPRK side will not remain a passive onlooker to this case but will use every possible means to solve it," it said, adding that failure to do so would "seriously affect the North-South relations." (Kim Young-jin, "Pyongyang Vows to Use All Possible Means to Bring Back 31 N. Koreans," *Korea Times*, March 6, 2011)

3/4/11

A North Korean economic delegation will visit San Diego and New York City for two weeks from March 20. Susan Shirk, director of the Institute on Global Conflict and Cooperation at the University of California, San Diego, invited the ten-member delegation who will learn about Western economic systems and theory during their stay, the Voice of America (VOA) reported. Between 1997 and 2000, Shirk served as deputy assistant secretary of state in the East Asia and Pacific Affairs bureau, and went to North Korea last year as a director of the institute, to discuss North Korea-U.S. cooperation on a private level. The VOA also confirmed that the U.S. government last

year authorized the import of "Daedonggang," a North Korean beer. "I received the final authorization on Sept. 30," said Steve Park, a U.S.-based importer. The first 2,000-2,500 cases of beer will be on sale this summer. Meanwhile in Asia, *Asahi Shimbun* quoted a South Korean government official, who said North and South Korea had a clandestine meeting in January to arrange an inter-Korean summit. If verified, it would be the foreshadowing of President Lee's comment on a possible inter-Korean dialogue. During the March 1 Independence Movement Day speech, President Lee said he was ready to talk to Pyongyang. A strong demand for an apology he had previously made for attacking a South Korean naval vessel and an island on the west coast was not mentioned. (Kim Se-jeong, "N. Korean Delegation to Visit NY," *Korea Times*, March 4, 2011)

China is not in favor of setting any preconditions for restarting the six-party talks on the Korean Peninsula nuclear issue, which have been stalled for about two years, Wu Dawei, Chinese special representative for Korean Peninsula affairs, told Xinhua in an exclusive interview. "The resumption of the six-party talks is facing many difficulties. We hope those difficulties can be overcome at an early date," said Wu, while attending the annual session of the National Committee of the Chinese People's Political Consultative Conference, the country's top political advisory body. "(To restart the six-party talks,) some propose DPRK-U.S. talks first, some propose DPRK-ROK talks first, and we support all those proposals," Wu said, adding that "we do not want to see any party set preconditions for restarting the talks." (Xinhua, "China Not in Favor of Setting Preconditions for Starting Six-Party Talks," March 4, 2011)

In an annual report submitted to Congress, the US State Department said "no confirmed instances of large-scale drug trafficking" involving the North Korean state or its nationals were reported in 2010. It said there was not enough information to confirm that the communist state was no longer involved in drug manufacture and trafficking "but if such activity persists, it is certainly on a smaller scale." This is the eighth consecutive year that there were no known instances of large-scale methamphetamine or heroin trafficking to either Japan or Taiwan with direct North Korean state involvement, it said in the 2011 International Narcotics Control Strategy Report. "The continued lack of public reports of drug trafficking with a direct DPRK connection suggests that such high-profile drug trafficking has either ceased or been sharply reduced," the report said. The report said, however, that trafficking of methamphetamines along the North Korea-China border continues and press reports about such activities have increased in comparison to last year. "These reports... point to transactions between DPRK traffickers and large-scale, organized Chinese criminal groups" in locations along the border. "Press reports of continuing seizures of methamphetamine trafficked to organized Chinese criminals from DPRK territory suggest continuing manufacture and sale of DPRK methamphetamine," the report said. This and continued trafficking in counterfeit cigarettes and currency suggests that "enforcement against organized criminality in the DPRK is lax," it added. (AFP, "U.S. Says N. Korea's State Drug Trafficking on Wane," March 4, 2011)

The Food and Agricultural Organization (FAO) and World Organization for Animal Health (OIE) sent veterinarians specializing in foot-and-mouth disease to North Korea

to assess the situation, help contain outbreaks and stop it spreading, the agency said in a statement. In February, the Rome-based FAO said it had received a formal request for assistance from the North, which it said had suffered at least 48 outbreaks, affecting thousands of animals. North Korea suffers persistent severe shortages of food likely to be worsened by livestock disease. Although humans are not at risk, "affected animals become too weak to be used to plough the soil or reap harvests, and farmers cannot sell the milk they produce, which can severely impact household food security," the FAO said. The mission began on February 28 and will last approximately 10-14 days. (AFP, "UN Helps N. Korea Deal with Foot-and-Mouth Outbreak," March 4, 2011)

3/5/11

Unidentified attackers targeted more than two dozen South Korean government and private websites, a day after two waves of similar attacks, but officials reported no serious damage. A total of 29 websites were hit Saturday in so-called "denial of service" attacks, in which large numbers of "zombie" computers try to connect to a site at the same time in an attempt to overwhelm the server, the Korea Communications Commission said. Commission official Lee Sang-kug said the attacks were "so weak that no actual damage was detected so far." Lee said the commission would keep a close watch on the situation in coming days, but that the fallout was likely to remain limited because the government and computer security companies were well prepared. Today's attacks on sites including South Korea's presidential office, the Foreign Ministry, the Defense Ministry, some financial institutions and U.S. Forces Korea followed two rounds Friday in which damage was also limited. Lee said that 40 websites were originally targeted yesterday, though only 29 came under actual attack. A total of 29 were targeted today, he said. The National Police Agency said the attacks originated from 30 servers in 18 foreign countries or territories including the United States, Israel, Russia, Hong Kong, Taiwan, Thailand, Japan, India, Brazil and Iran. "We may find more servers behind this attack as it is only the beginning of the investigation," said Jung Suk-hwa, head of the agency's Cyber Terror Response Center. "Generally, there is someone else who controls all of these servers and we are working to figure out who it is." In 2009, some government websites in South Korea and the U.S. were paralyzed by a similar type of attack that South Korean officials believed was conducted by North Korea. But U.S. officials have largely ruled out North Korea as the origin, according to cybersecurity experts. (Hyun Haeran, "South Korean Websites Come under Further Attack," Associated Press, March 5, 2011) North Korea recently jammed GPS signals in South Korea in an apparent bid to disrupt Seoul's annual military drills with U.S. forces, government sources said March 6. GPS signals in Seoul and nearby cities, including Incheon and Paju, were temporarily disrupted on Friday afternoon, causing mobile phones and certain military equipment in the area to malfunction, the sources said. The jamming signals are thought to have come from vehicle-mountable devices at military units north of the inter-Korean border. Former Defense Minister Kim Tae-young said in October that he had intelligence that the communist regime had imported from Russia such devices capable of jamming GPS signals. "The jamming signals came sporadically every five to 10 minutes," an intelligence official said, adding that North Korea was likely testing its imported devices. (Yonhap, "N. Korea Jams GPS Devices to Disrupt Korea-U.S. Drills: Sources," March 6, 2011)

3/6/11

Foreign Minister Maehara Seiji has told Prime Minister Kan Naoto that he will resign over his receipt of illegal donations of 200,000 yen (\$2,430) from a South Korean resident of Japan, dealing a blow to Kan's government, a source close to Maehara said. During a meeting at the prime minister's official residence in the evening, Kan tried to persuade Maehara to remain in his post, but Maehara refused, the source said. (Kyodo, "Maehara Decides to Resign over Illegal Donation from Foreigner," March 6, 2011) Maehara's admission came in response to a question by Liberal Democratic Party Upper House member Nishida Shoji. Under the Political Fund Control Law, politicians are prohibited from receiving donations from foreign nationals. (*Asahi Shimbun*, "Maehara in Hot Water over Donations," March 6, 2011) The woman in Kyoto is a supporter and old acquaintance since he was in second grade of middle school, Maehara said. "I didn't know that she has been making donations," he said. (*Yomiuri Shimbun*, "Donation Issue Could Derail Maehara," March 6, 2011)

3/7/11

The new chief nuclear negotiator of Japan, director general of the Foreign Ministry's Asian and oceanic Affairs Bureau Sugiyama Shinsuke, exchanged views about North Korea with Park Suk-hwan, first vice foreign minister on the first day of his three-day visit to Seoul after lunch with Chang Won-sam, his South Korean counterpart handling relations with Tokyo. (Kang Hyun-kyung, "Japan's Chief Nuclear Negotiator Visits Seoul," *Korea Times*, March 7, 2011; Chang Jae-soon, "Japanese Diplomat Visits Seoul for Talks on Bilateral Relations, N. Korea," *Yonhap*, March 7, 2011)

North Korea said it plans to bring the families of four defectors to a meeting with South Korean officials, an apparent attempt to pressure the South to release the asylum-seekers. The North accuses Seoul of pressuring or coercing the four to stay in South Korea, a claim the South denies. The North's Red Cross sent a message to its South Korean counterpart, expressing anger over the South Korean decision and proposing talks at the border village of Panumjom on March 9. Family members and friends of the four North Koreans have testified that they have no reason to defect, KCNA said. It said the North's Red Cross will bring the family members to the meeting site and South Korea should also bring the four defectors there. "North Korea intends to use the family members as hostages to force the four people to change their minds," said Baek Seung-joo of the state-run Korea Institute for Defense Analyses in Seoul. South Korean officials said they have no intention of repatriating the four people. The South's Red Cross said it told the North that it is only willing to hold talks on how to verify the four people's intention to resettle in the South. The North gave no immediate response, South Korean Red Cross officials said. (Kim Hyung-jin, "North Korea Proposes Talks on 4 People's Defection," *Associated Press*, March 7, 2011) KCNA: "The chairman of the C. C., the Red Cross Society of the DPRK Monday sent a notice to the president of the south Korean Red Cross proposing to have an urgent north-south Red Cross working contact to discuss the issue of sending back the DPRK inhabitants and a ship now in custody in south Korea. The notice expressed deep regret at the south Korean authorities for their intention to keep four out of the 31 inhabitants under the pretext of false "defection" despite the repeated demand of the DPRK side. It said: The south side's outrageous inhuman action is touching off anger among the people of the DPRK. The public at home and abroad is closely following how it will handle this case, concerned about the impact it will have on the north-south relations. As for those four

persons whom the south Korean authorities claim expressed their intention to 'defect' to the south, they have no ground whatsoever to do so in light of their socio-political circumstances and family background. Their families, relatives and colleagues absolutely vouch for them. It suggested to have the contact at the conference room of the former Neutral Nations Supervisory Commission at Panmunjom at 10:00 a.m. on March 9 to accurately confirm the issue of "defection" and realize the early repatriation of all of those in custody. Three officials concerned including a member of the C.C., the Red Cross Society of the DPRK as well as family members of those four persons will go to the working contact to make face-to-face confirmation, the notice said. It asked those related to the Red Cross of the south side to bring those four persons concerned to the working contact." (KCNA, "DPRK RC Proposes Urgent Talks over Repatriation of Inhabitants," March 7, 2011)

3/8/11

Prime Minister Kan Naoto made final arrangements to promote State Foreign Secretary Matsumoto Takeaki to foreign minister following Maehara Seiji 's resignation over a money scandal, sources close to the premier said. (Kyodo, "Kan Set to Pick Matsumoto as Japan's New Foreign Minister," March 8, 2011) As senior vice foreign minister, Matsumoto had been involved in preparatory work toward Japan's possible participation in negotiations on the Trans-Pacific Partnership agreement, to which Kan attaches great importance. Matsumoto belongs to a DPJ's intraparty group led by Tarutoko Shinji, chairman of the House of Representatives Committee on Fundamental National Policies. He was promoted to party policy research committee chairman in 2005 while serving his third term of office as a lower house member. He became senior vice foreign minister in the cabinet reshuffle last September. His father, Matsumoto Juro, was director general of the then Defense Agency under the cabinet led by Prime Minister Toshiki Kaifu, and his grandmother was the granddaughter of Ito Hirobumi, the nation's first prime minister. (*Yomiuri Shimbun*, "Matsumoto Becomes Foreign Minister," March 10, 2011)

Defense Minister Kim Kwan-jin unveiled a set of sweeping military reform packages to enhance the interoperability of the armed forces and increase firepower in response to North Korea's deadly provocations last year. The 73-point reform measures call for an early introduction of spy drones and stealth fighters, a structural overhaul in the authority of top commanders and a reduction in general-grade officers by 15 percent to some 370 by 2020 to make the Army more efficient. "The command structure of top military brass will be revamped to improve the interoperability of the armed forces," Kim told reporters. "Enhancing the interoperability is a barometer of an advanced military." Under the plans, Kim said his ministry will allow the chairman of the Joint Chiefs of Staff (JCS) to take responsibility for managing military personnel of the Army, Navy and Air Force. Currently, the JCS chairman has operational command over all military branches, but no power to manage military personnel. Each chief of staff of the three branches has the authority to manage their own troops. The lack of authority in personnel management has long been cited as one of the major factors hindering interoperability of the troops. As part of the efforts, the military will acquire advanced artillery-detecting radar systems and precision-guided weapons such as the Joint Direct Attack Munition (JDAM) to neutralize the North's artillery pieces hidden in mountain caves, the ministry said. As for a new command structure responsible for

defending five islands near the Yellow Sea border with North Korea, the ministry will deploy more troops and weapons to systematically watch North Korean forces and strike if necessary. The division-sized command will be established in June. "We will increase weapons and troops on the Yellow Sea islands to a considerable level, and the operational range of the new command will include the origin of provocation by the enemy," Kim said. (Yonhap, "Defense Chief Unveils Plan to Reform Military, Enhance Interoperability," March 8, 2011)

South Korea is seeking to have the international community punish North Korea for its recent attempt to block the South's military communications by sending jamming signals across the border, officials said. A charter of the International Telecommunication Union (ITU) bans a country from doing damage to electric waves of other nations. Both South and North Korea are members of the ITU. The foreign ministry already sent a letter of inquiry to a United Nations agency in charge of information and communication technologies, the presidential official said. "After a legal review, we determined that the North's act of jamming our GPS (signals) constitutes a violation of the ITU charter that bans harmful interference," Foreign Ministry spokesman Cho Byung-jae said. "This constitutes an illegal act under international law." Under international law, South Korea can demand the North stop such an act and make compensation for any damage incurred, he said, adding that the government is studying what steps to take against the North. (Yonhap, "Seoul Seeks Int'l Sanctions on N. Korea for Sending Jamming Signals," March 8, 2011)

3/10/11

"North Korea may have already developed nuclear warheads that are small enough to be mounted on missiles and aircraft, a senior U.S. intelligence official said. "The North may now have several plutonium-based nuclear warheads that it can deliver by ballistic missiles and aircraft as well as by conventional means," Lt. Gen. Ronald Burgess, director of the Defense Intelligence Agency, told a Senate Armed Services Committee hearing. "We expect the North will continue to test-launch missiles, including the TD-2 ICBM/SLV to refine their performance. With further TD-2 tests, North Korea may develop an intercontinental ballistic missile capable of reaching the U.S. mainland." (Hwang Doo-hyong, "N. Korea May Have Developed Nukes for Missile Payloads: Inel Chief," Yonhap, March 10, 2011)

Victor Cha: "The following scenario is a not-too-remote and clear one. The North provokes again as part of a strategy to force the ROK government to cave to DPRK military pressure. They are unrestrained because they believe their nuclear deterrent is sufficient to prevent retaliation. But Seoul cannot tolerate another attack. What was so different about the Yeonpyeong shelling was that it was captured on television for every South Korean citizen to see. Not responding would be political suicide for an ROK president. Thus, Seoul responds with a military strike swiftly and decisively, confident in their own minds that 1) the North would not dare enter a war they would lose; or 2) the ROK could contain the escalation ladder. This sort of miscalculation on both sides, ladies and gentlemen, is how wars start." (Testimony of Victor Cha, U.S. Congress, House of Representatives, Committee on Foreign Affairs, March 10, 2011)

3/11/11

A joint team from the World Food Program (WFP) and the Food and Agriculture Organization of U.N. food agencies planned to brief foreign diplomatic missions and international agencies in Pyongyang about its month-long examination of the food situation in North Korea, a diplomatic source said. They have been in North Korea since February 10 to assess the food situation there. They are expected to issue a report in two weeks. "According to a WFP assessment in November, the North's food situation is not believed to be worse than previous years," South Korean Foreign Minister Kim Sung-hwan said in a report to a parliamentary meeting. Kim said South Korea believes that a series of factors should be taken into consideration before providing aid, such as an objective assessment, strict distribution and monitoring, and the possibility of the North diverting assistance for other purposes. Critics have questioned the motives behind the North's all-out calls for food aid, saying last year's harvests were better than the year earlier. There are also suspicions that the regime might be trying to stock up on food for use for massive celebrations on the 100th birthday of the North's late national founder, Kim Il-sung, next year. But Kwon Tae-jin, a North Korea expert at the Korea Rural Economic Institute in Seoul, said Friday that the North's food shortages will continue to be severe this year due largely to shrinking international handouts, soaring grain prices and an outbreak of the highly infectious foot-and-mouth disease. (Yonhap, "U.N. Agencies Conclude Inspection of Food Situation in N. Korea," March 11, 2011) The UN pointman on North Korea called on the international community to provide relief aid to the impoverished communist state, saying that support should not be dependent on political conditions. However, Marzuki Darusman, the special rapporteur who has not been allowed by Pyongyang to visit North Korea, stressed that with any help should come with a requirement for access. In a report to be presented to the UN Human Rights Council on Monday and which has been spotted on its website, Darusman said his call for the international community to provide humanitarian aid to North Korea "should nevertheless not be contingent on political conditions." "The human rights obligations of the Democratic People's Republic of Korea are in no sense contingent on the provisions of external humanitarian assistance by the international community but merely an impetus for emergency response," he added. (AFP, "UN Pointman Urges Aid for North Korea," March 11, 2011)

Former Grand National Party chairwoman Park Geun-hye has a massive lead over other presidential hopefuls for the next election, who are closely vying for a very distant second place. For the second time since the 2007 presidential election, the Chosun Ilbo and Media Research conducted a survey gauging the preferences of Koreans about their choice for next president. The survey will be conducted quarterly until the next election in 2012. Park commanded a stunning 42.1 percent support rating. A distant second was the waspish former health minister Rhyu Si-min with 9 percent, followed by Seoul Mayor Oh Se-hoon with 6 percent, Democratic Party Chairman Sohn Hak-kyu with 5.7 percent and Gyeonggi Province Governor Kim Moon-soo with 4 percent. Eternal hopeful Lee Hoi-chang of the hard-right Liberty Forward Party was next with 3.9 percent, and then came former prime minister Han Myeong-sook with 3.1 percent, ex-unification minister Chung Dong-young with 3.1 percent, former GNP leader Chung Mong-joon with 2.7 percent, South Gyeongsang Province Governor Kim Doo-kwan with 1.5 percent and GNP lawmaker Na Kyung-won. Park commanded a

majority support base among supporters of both the ruling GNP (78.5 percent) and the main opposition DP (47.9 percent). In contrast, Rhyu and Sohn, the leading candidates in the opposition camp, commanded only 39.6 percent and 39 percent support. (*Chosun Ilbo*, "Whom Do Koreans Want as Their Next President?" March 11, 2011)

South Korea proposed allowing troubled family members of the two Koreas to exchange letters, after North Korea demanded that its defectors to the South be allowed to read letters by their families pleading for their return, officials said. The proposal is essentially a refusal to deliver the set of North Korean letters to four people who decided to stay in South Korea after they arrived here on February 5 on a boat along with 27 others. The South's Red Cross said in a reply to the North that it would deliver the handwritten letters to the defectors only if the North would allow letters to be delivered to South Koreans held there. "We have notified the North that we can deliver the family letters if North Korea agrees on ... setting the precedent of family members exchanging letters," the South's Red Cross said in a statement to reporters. A Unification Ministry official added that the proposal does not apply to ordinary family members separated after the 1950-53 Korean War. "It applies in special cases such as people who are being detained or have defected to the other side," the official said. (Yonhap, "S. Korea Proposes Exchanges of Family Letters with N. Korea," March 11, 2011)

3/12/11

The United States is assessing the food situation in North Korea and will consult closely with South Korea in deciding whether to resume assistance to the impoverished nation, a senior Washington official said. "I think we conveyed very clearly to our South Korean friends that we are still in the process of evaluating the situation on the ground and we would continue to consult closely with the South Koreans as we move forward," Assistant Secretary of State Kurt Campbell told reporters. Campbell stressed that Seoul and Washington "view this issue in very similar terms," rejecting speculation that the two sides have disagreement on the matter. Asked to comment on the speculation, Campbell said, "There is no truth to that at all." Seoul's Deputy Foreign Minister Kim Jae-shin also said that the two sides have the "same view." "So if it is needed, we will do. But we have to think about the timing and the circumstances. So we are waiting for the report of the WFP," Kim said. (Chang Jae-soon and Lee Haye-ah, "U.S. to Consult Closely with S. Korea on Food Aid to N. Korea: Campbell," March 12, 2011)

3/15/11

DPRK FoMin spokesman: "Aleksei Borodavkin, vice foreign minister of Russia and head of the Russian side to the six-party talks, and his party visited the DPRK from March 11 to 14. During the visit the vice foreign minister of Russia paid a courtesy call on DPRK Foreign Minister Pak Ui Chun, met with the first vice-minister of Foreign Affairs and the vice-minister of Foreign Affairs in charge of Russian affairs and had an in-depth exchange of views on the issue of boosting the bilateral relations, the situation on the Korean Peninsula and the region, the issue of resuming the six-party talks and other matters of mutual concern. Both sides discussed the issues of boosting the traditional friendly relations between the two countries and further reenergizing bilateral cooperation in the political, economic and other multifaceted fields this significant year marking the 10th anniversary of the publication of the historic DPRK-Russia Moscow Declaration. **The Russian side expressed concern over the increasing tension on**

the Korean Peninsula. It stressed that the tripartite economic cooperation projects including the laying of railways, gas pipeline and a transmission line linking Russia with the north and the south of Korea have a special prospect in the aspect of actively helping improve the inter-Korean relations. The DPRK side expressed support for the projects of the Russian side for tripartite economic cooperation and manifested its willingness to positively examine the proposal for tripartite working negotiations for their implementation if it is advanced. The Russian side expressed its stand that the six-party talks should be resumed at an early date to settle the nuclear issue on the Korean Peninsula in a political and diplomatic manner. **It pointed out that it is important to take constructive measures such as DPRK's moratorium on nuclear test and ballistic missile launch, access of IAEA experts to uranium enrichment facilities in the Nyongbyon area and discussion of the issue of uranium enrichment at the six-party talks.**The DPRK side expressed its stand that it can go out to the six-party talks without any precondition, it is not opposed to the discussion of the above-said issue at the six-party talks and if the talks are resumed, other issues raised by the Russian side can be also discussed and settled in the course of implementing the September 19 Joint Statement calling for the denuclearization of the whole Korean Peninsula on the principle of simultaneous action .Beneficial were negotiations held in an atmosphere of mutual respect and trust." (KCNA, "FM Spokesman on Russian Foreign Minister's Visit to DPRK," March 15, 2011)

3/16/11

North Korea is not as politically unstable as feared to be, Unification Minister Hyun In-taek said in a lecture, basing his comments on an index that South Korea is working to develop in a bid to empirically gauge instability in the nuclear-armed neighbor. He said the political and military instability in Pyongyang appears to be "mild" and "not too bad" even though the social and economic aspects beckon relatively greater concern. "(We) have concluded that things are not so serious as to consider the collapse of the North Korean regime," Hyun said, calling its political situation "relatively more stable than in the past." "The (instability) index appears to have dropped because North Korea's control was strong," he said. (Yonhap, "N. Korea Not as Unstable as Feared To Be: S. Korean Minister," March 16, 2011)

3/17/11

FM Kim Sung-hwan rejected North Korea's recent suggestion that it is willing to unconditionally return to the nuclear negotiating table, saying Pyongyang should first demonstrate its denuclearization commitment through action. Officials in Seoul have dismissed the North's suggestion, saying its calls for unconditional talks mean that Pyongyang won't take the preparatory steps that the South wants it to take to demonstrate its commitment to abandon its nuclear programs. "This does not fit the position of the other five countries that the right conditions should be created for six-party talks," Kim said at a press briefing. "North Korea should demonstrate (its denuclearization commitment) not through words, but through action." Earlier this week, the Group of Eight industrialized nations adopted a "chairman's summary" condemning the uranium enrichment program at a meeting of their foreign ministers held in Paris, officials said. (Yonhap, "FM Rejects N. Korea's Suggestion to Unconditionally Return to Nuclear Talks," March 17, 2011)

Rodong Sinmun commentator: "Accusing the south Korean authorities of misleading public opinion while talking about the 'sincerity' of the DPRK in a bid to evade their blame for bringing the inter-Korean relations to catastrophe and dialogue to collapse and justify their policy for confrontation, the article notes, and goes on: They have neither face nor qualification to talk about sincerity. ...Through this rhetoric they urged the DPRK to make "apology" for the "Cheonan" warship case, the hideous conspiratorial farce, and the provocative Yonphyong Island shelling which occurred last year, 'punish' those responsible for them and give assurances against 'reoccurrence of similar cases.' They also claimed that the north should show its will to dismantle nukes in action as one can hardly believe the talk about the denuclearization of the Korean Peninsula only and, furthermore, it should 'make changes.' As far as the controversial warship case is concerned, the true nature of the conspiratorial case was brought into bolder relief. As a result, this case has become a target of criticism and ridicule of not only south Koreans but the experts of foreign countries and the military personnel concerned who took part in the investigation and scholars who made a verification of evidence. It is long since this case became a laughing stock of the international community and even the United Nations.**As for the Yonphyong Island shelling, the DPRK did not strike the peaceful island. It was the puppet war-like forces that were the first to frantically fire shells into the territorial waters of the DPRK despite its repeated advance warnings. The island was the base for the above-said provocation and, therefore, it was struck and turned into a sea of fire.** The south Korean authorities should have thought it was fortunate that the clash did not escalate as the DPRK exercised its self-restraint. They were the first to perpetrate provocations but painted the DPRK's deserved counter-action against them as a 'provocation.' This is just like a thief crying 'Stop the thief!' **The nuclear issue is not a matter which allows the south Korean authorities to meddle in.** The nuclear issue surfaced on the peninsula as the U.S. introduced nuclear weapons into south Korea. It still remains unsettled as the U.S. is threatening the DPRK with nukes. As it stressed more than once, the denuclearization of the Korean Peninsula is not the denuclearization of one party but the process of denuclearizing the whole peninsula. **Accordingly, if the nuclear issue of the peninsula is to be settled, it is necessary for the U.S. to dismantle its nuclear bases and withdraw nuclear equipment from south Korea and stop its nuclear threat.** Clarified in the September 19 joint statement adopted at the six-party talks are the guarantee that south Korea shall not introduce nukes and the U.S. shall not pose a nuclear threat to the DPRK and the "'rinciple of action for action' that each party shall fulfil its duty. In token of the practical will for the denuclearization, the DPRK held the six-party talks and adopted the joint statement and the February 13 agreement, suspended the operation of the atomic energy power plant in Nyongbyon and blew up even the cooling tower in the eyes of the world. However, south Korea is talking about 'will for practical action' and linking it with 'sincerity' in a bid to find fault with the DPRK. This is preposterous, indeed. The south Korean authorities are calling for 'changes' in the DPRK. But, in fact, this is what the DPRK should say to them. The DPRK has steadily changed everything to meet the desire of the people and to swim with the trend of the times and has kept its door fully open to dialogue as far as its relations with the south are concerned. It is the stand of the DPRK to hold candid talks with anyone without any precondition while the south side asserts that it cannot hold dialogue unless the absurd preconditions put up by it

are met. It admits of no argument who has a sincere stand. One's sincerity can be judged only when both sides sit at the negotiating table. Talking about sincerity without sitting at the negotiating table is not a sincere approach toward dialogue. Explaining the reason why the south Korean authorities have kept talking about "sincerity", the article goes on: This is aimed to divert elsewhere the public opinion's criticism of the south Korean authorities for having pushed the north-south relations to catastrophe and rendered the situation extremely tense, shift the blame on to the DPRK, block dialogue and negotiations and escalate confrontation and war moves. The south Korean authorities approached the north-south relations and the dialogue with no sincerity. Its clear proof is that they wantonly violated the June 15 joint declaration and the October 4 declaration while talking about 'lost decade' right after taking office and pushed the north-south relations to catastrophe while talking about 'wait-and-see strategy' and 'adherence to principle.' It is also eloquently proved by their open remarks that the extremely strained north-south relations at present are 'normal' and 'the present regime may not hold dialogue with the north during its tenure of office.' They responded to the DPRK's proposal for dialogue with anti-DPRK psychological warfare and war moves while talking about 'change of system' and 'contingency.' This is an intolerable mockery and insult to the dialogue partner to talk about 'sincerity.'" (KCNA, "S. Korean Authorities' Talk about 'Sincerity' Nonsensical," March 17, 2011)

Seoul delayed the repatriation of 27 North Koreans, who drifted into southern waters last month, due to a malfunction on the boat they were planned to return aboard. (Kim Young-jin, "Repatriation of North Koreans Delayed over Boat Malfunction," *Korea Times*, March 17, 2011)

The director of the DPRK Bureau of Earthquake sent a letter to the Chief of the Weather Office of south Korea, proposing the north and the south to jointly promote the researches into the volcanic activities on Mt. Paektu in the common interests of the nation. The letter referred to the fact that earthquakes and volcanic phenomena have frequently occurred in various parts of the world in recent years. The great quake that hit Japan, in particular, underscores the urgency to conduct in a foresighted and successful manner the researches into earthquake and volcanic activities on the Korean Peninsula as it is geographically located close to that country, the letter stressed. As the north and the south agreed to positively promote the cooperation projects as regards the said joint researches at the first meeting of the Panel for Cooperation in Public Health and Environmental Protection between the North and the South held in Kaesong on December 21, Juche 96 (2007), the north side proposed those concerned of the two sides to meet in Kaesong or Mt. Kumgang at an early date to have discussion on pushing ahead with necessary cooperation including a joint research into the volcano on Mt. Paektu, a field survey of it and the holding of a scientific symposium, the letter noted. (KCNA, "DPRK Proposes S. Side to Conduct Joint Research into Volcanic Activities," March 17, 2011)

3/20/11

North Korea on Sunday accused U.S. troops in South Korea of trespassing into the Demilitarized Zone and even partying inside it, threatening "human damage" if such provocations continue. The threat has been delivered to the South Korean military,

according to KCNA, which claimed that U.S. forces made 50 trespasses from March 1-8. According to the KCNA, a group of U.S. soldiers recently came within 20 meters of the military demarcation line with women, taking photos and throwing bottles of alcohol toward North Korean troops. "If the South ignores our warning and allows U.S. invasion forces to act rampantly near the military demarcation line, it shall bear the responsibility for all consequences, including human damage," the KCNA said, quoting the message delivered to the South. (Yonhap, "N. Korea Accuses U.S. Troops of Partying inside Demilitarized Zone," March 20, 2011)

North Korea is building up its submarine force, deploying new Shark-class K-300 submarines with better performance, a longer body and higher underwater speed than the old model which infiltrated South Korean waters in 1996. A South Korean government official said Sunday, "We've confirmed U.S. satellite images and other intelligence that the North has been building and deploying new Shark-class submarines for a few years now. They're about 5 m longer than the old 34 m-long model and capable of traveling submerged more than 10 km/h faster." The North has about 70 submarines and submersibles. The Shark class, which accounts for about 40 of them, is its main submarine force. (*Chosun Ilbo*, "N. Korea Builds up Submarine Force," March 21, 2011)

3/21/11

South Korea and the U.S. will hold next week their first high-level plenary session of a joint committee on ways to boost the deterrence Washington provides to protect Seoul against North Korea's nuclear ambitions and other weapons of mass destruction, officials said. The first high-level meeting of the Extended Deterrence Policy Committee, set for March 28-29 in Hawaii, is expected to discuss measures to deal with the North's threats and assess the effectiveness of the extended deterrence, officials said. "Since it would be the first official meeting with high-level officials, the two sides are expected to set parameters of the committee rather than try to produce a specific agreement," said a senior official at Seoul's Defense Ministry. Deputy Defense Minister Chang Gwang-il and Michael Schiffer, U.S. deputy assistant secretary of defense for East Asia, will lead the first meeting, according to the official. (Yonhap, "S. Korea, U.S. to Hold Meeting on Extended Deterrence," *Korea Herald*, March 21, 2011)

3/22/11

DPRK FoMin spokesman: "The U.S. launched a military attack on Libya in collusion with some Western countries on March 19. It openly interfered in the internal affairs of Libya, sparking off a civil war, and then cooked up a deceptive resolution by abusing the authority of the UN Security Council. It finally perpetrated indiscriminate armed intervention in the country, going beyond the limits of the resolution. The DPRK strongly denounces this as a wanton violation of the sovereignty and territorial integrity of an independent state and a hideous crime against humanity in gross breach of the dignity of the Libyan people and their right to existence. Such war action can never be justified and should be halted at once. The world is witnessing almost everyday the miserable death of a great many peaceable citizens and unspeakable disasters caused by two wars launched by the U.S. in the new century. Not content with this, the U.S. sparked a fresh war disaster in order to bring about a regime change in the country incurring its displeasure under the spurious signboard of "protecting civilians" and put the natural resources of Libya under its control. The U.S. does not hesitate to interfere

in the internal affairs of other countries and launch armed invasion by abusing the UN name in disregard of the sovereignty of independent states. Such high-handed and arbitrary practices of the U.S. have become a root cause of harassing world peace and stability at present. The present Libyan crisis teaches the international community a serious lesson. It was fully exposed before the world that 'Libya's nuclear dismantlement' much touted by the U.S. in the past turned out to be a mode of aggression whereby the latter coaxed the former with such sweet words as 'guarantee of security' and 'improvement of relations' to disarm itself and then swallowed it up by force. It proved once again the truth of history that peace can be preserved only when one builds up one's own strength as long as high-handed and arbitrary practices go on in the world. The DPRK was quite just when it took the path of Songun and the military capacity for self-defense built up in this course serves as a very valuable deterrent for averting a war and defending peace and stability on the Korean Peninsula." (KCNA: "Foreign Ministry Spokesman Denounces US Military Attack on Libya," March 22, 2011)

Talks between South and North Korea may be resumed, although the agenda will skirt around military issues and humanitarian aid to concentrate on the volcanic Mount Paektu.

The South Korean Ministry of Unification delivered a statement to the North requesting civilian experts from both Koreas meet on March 29 in Munsan, Paju, to discuss the mountain's volcanic activity and other issues regarding Mount Paektu. "There is an understanding that cooperation between South and North Korea is needed regarding volcanic activity at Mount Paektu," the statement read. It was sent through the South Korean Red Cross. Seoul's move comes after North Korea sent a statement to the head of South Korea's weather agency on March 17 asking for the two Koreas to hold talks about Mount Paektu. The North said it wanted to discuss joint research on Mount Paektu, visits to the mountain and academic forums. "Mount Paektu's volcanic activity requires high expertise and scientific knowledge, and we felt that it was necessary that talks between experts from both sides be held first," an official from the Unification Ministry said. (Christine Kim, "Talks with North Possible, But Only on Mt. Paektu," *JoongAng Ilbo*, March 23, 2011)

The Lee Myung-bak administration has initially decided to permit once again private aid to the most vulnerable in North Korea, including infants and toddlers. "The administration has decided to resume from April aid to North Korea from private groups, which had been suspended following the Yeongpyeong Island shelling," said a high-ranking government official. "It plans to permit items that can be used only by infants and toddlers that cannot be used by the military." The official added, "Government aid is possible only if Red Cross talks restart, and with such talks currently unlikely, the plan is to permit private NGOs to send aid." Deputy National Security Adviser Kim Tae-hyo, too, said at a seminar hosted by the National Assembly's Northeast Asia Peace and Security Forum, "The administration is first pushing 'smart aid' that directly targets North Korean children and vulnerable classes from a humanitarian point of view." "'Smart aid' means items that can be used only by North Korea's vulnerable classes and children, and we will first permit items such as baby food and nutritional supplements for children," said a key Cheong Wa Dae official. "Such aid goes to specific recipients even if it is not monitored well." In consideration

of these facts, it appears the aid that will first be allowed to resume in nutritional supplements for children and basic medical supplies from private groups, which the government announced on December 28, 2009 that it would subsidize with 3.5 billion Won (\$3.1 million) from a fund for inter-Korean economic cooperation. The administration will also reportedly permit the Korea NGO Council for Cooperation with North Korea to send children's underwear. (Hwang Joon-bum, "Administration to Allow Limited Private Aid to N. Korea," *Hankyore*, March 23, 2011) "A heartfelt apology (by North Korea) over the two provocations last year could become a starting point to opening new South-North relations," Kim Tae-hyo, President Lee's deputy national security adviser, told a security forum in Seoul. North Korea's apology for the attacks and its promise not to repeat such provocations are among the three key conditions that Seoul says Pyongyang must fulfill before the two sides can improve relations. A third demand has been that the North demonstrate its denuclearization commitment through action. (Yonhap, "S. Korea Calls for N. Korea's 'Heartfelt Apology' over Attacks," March 22, 2011)

An analysis of the North Korean population and census released Tuesday by Statistics Korea shows a 2008 total fertility rate of 2.0. This number, which indicates the number of children born to a woman of childbearing age, is far higher than the rate of 1.2 recorded for South Korea the same year. However, the average male life expectancy of 64.1 years was considerably lower than the 76.5 years for South Korean men, reflecting a worsening food shortage that began in the early 1990s. The 2008 average age of North Koreans marrying for the first time was 29.0 years for men and 25.5 years for women. The total population engaged in economic activity among those 16 years and over was 12.19 million, indicating a participation rate of 70.2 percent. While this represents a 5.8 percentage point drop from the 76.0 percent recorded in 1993, just before the so-called "March of Tribulation" from 1996 to 2000, it is also far higher than the 2007 South Korean economic participation rate of 60.8 percent. In contrast, the economic participation rate for North Koreans aged 60 and over, at 7.3 percent, was lower than the 37.8 percent figure for South Korea, indicating early retirement from the labor market. A distribution of employed individuals in North Korea by profession showed the largest group to be employed in agriculture and forestry, fishing, or skilled trades, at 4.25 million people, or 34.8 percent. This was followed by technicians, at 2.12 million people or 17.4 percent, and mechanical operation and assembly workers, at 1.74 million people or 14.3 percent. The 2008 percentage of enrolled students, at 5.39 million or 24.1 percent, was similar to the 24.7 percent recorded in South Korea for 2005, but the higher education graduation rate, at 16.3 percent, fell far short of the 34.3 percent recorded in South Korea. In terms of form of housing, some 43.9 percent of all families were found to be living in row houses. A full 90.5 percent of all households were living in small-scale housing measuring 75 square meters (around 22.7 py) or less, and 58.3 percent possessed standalone bathrooms with flush toilets. The principal fuels for heating were found to be coal, at 47.1 percent, and wood, at 45.1 percent. (Hwangbo Yon, "Statistics on N.Korea Suggest Ongoing Food Shortage," *Hankyore*, March 23, 2011)

Experts say the dialogue offensive could continue for a time but warn that another provocation could come in the event of no response or the need for internal unity for

the North's hereditary succession plan. "North Korea will start a dialogue offensive for a while," Yang Moo-jin, a professor at the University of North Korean Studies in Seoul, said Tuesday. "Unless inter-Korean relations make significant progress and the U.S. provides food aid, the North will adopt brinkmanship tactics." "North Korea is likely to attempt aggressive provocations like long-range missile launches or a third nuclear test, not to mention a provocation in the Yellow Sea." Experts warn that if the two Koreas waste time on confrontation, the North could resort to provocations. "North Korea seems to have decided to refrain from provocations for the time being for its 'party' next year, when it seeks to become a strong and prosperous country," said Park Hyeong-jung, senior researcher at Korea Institute for National Unification. "But it could change its position toward provocations if things don't work out the way it intends to after testing the South through various contacts following the failed working-level military meeting." Certain experts say Seoul should be prepared for provocations because Pyongyang could attempt one during its dialogue offensive. "The six-party talks were about to be resumed right before the Cheonan sinking, and the North also stressed the need for inter-Korean talks before the Yeonpyeong attack," said Yoon Deok-min, a professor at the Institute of Foreign Affairs and National Security under the South Korean Foreign Ministry. "Since North Korea could attempt a provocation at any time depending on its internal needs, we cannot be complacent." (*Dong-A Ilbo*, "Experts: 3rd NK Nuke Test Possible If Dialogue Fails," March 23, 2011)

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South Korea recently has emerged as a significant nuclear exporter. In December 2009, a South Korean-led consortium won a \$20 billion deal to export four nuclear reactors to the United Arab Emirates (UAE). South Korea has been in the running for other nuclear reactor deals as well, including with Lithuania and Turkey, and may find itself with the opportunity to operate Jordan's planned power reactors. Buoyed by these achievements, Seoul is aiming to capture 20 percent of the world market for nuclear reactors by 2030. ...In the past, South Korea has been a sometimes-reluctant follower and occasional violator of international nuclear nonproliferation norms and rules. More recently, Seoul has taken steps to upgrade its nonproliferation credentials and comply with relevant nonproliferation obligations. Still, if South Korea is to meet its goals as a nuclear exporter and successfully conclude a new nuclear cooperation agreement with the United States, it will have to become a leader, rather than a follower, of the international nuclear nonproliferation regime. ...In 1968, South Korea signed the nuclear Nonproliferation Treaty (NPT), but concerns about its security environment in the 1970s led Seoul to consider a military nuclear option. In the early 1970s, South Korean President Park Chung-hee made the acquisition of a reprocessing capability to separate plutonium for nuclear weapons a top priority. After the United States threatened to withdraw its security guarantees if Seoul did not halt its weapons development plans, South Korea ratified the NPT in 1975 and adopted an International Atomic Energy Agency (IAEA) safeguards agreement. The announcement by President Jimmy Carter in the late 1970s that the United States intended to withdraw all ground troops from the Korean peninsula revived Park's interest in a nuclear weapons option. Seoul renewed its efforts to acquire a reprocessing capability from France, an effort thwarted by Carter's personal intervention and his nearly simultaneous decision not to withdraw U.S. forces from the peninsula. Soon after the Cold War ended, Seoul and Pyongyang in 1992 signed the "Joint Declaration of South

and North Korea on the Denuclearization of the Korean Peninsula," whereby both Koreas agreed not to "possess nuclear reprocessing and uranium enrichment facilities." The two sides also declared they "would not test, manufacture, produce, receive, possess, store, deploy or use nuclear weapons." It is widely agreed that North Korea's nuclear activities during the past decade, particularly its enrichment and reprocessing programs and nuclear tests, have been in clear violation of the 1992 agreement. Despite this, South Korea has never abandoned the joint declaration officially and has called on Pyongyang to abide by the pact, despite occasional suggestions in South Korean elite circles that Seoul should renounce the agreement. South Korea's additional protocol to its IAEA safeguards agreement entered into force in February 2004. The additional protocol provides IAEA inspectors greater access to a country's nuclear facilities, materials, and records, particularly undeclared facilities. When South Korea submitted its initial declaration, however, it disclosed to the IAEA a series of previously undeclared laboratory-scale experiments conducted by scientists at the Korea Atomic Energy Research Institute (KAERI). The resulting IAEA investigations revealed that South Korean scientists had engaged in experiments related to uranium enrichment and conversion and plutonium separation. Although the experiments produced very small quantities of nuclear material and did not appear to have been part of an organized nuclear weapons effort, the activities involved technical skills that would be applicable in a weapons program. IAEA Director-General Mohamed ElBaradei determined that the undeclared use of nuclear material in the experiments constituted a matter of serious concern. According to the IAEA, South Korea informed the agency that the "experiments were performed without the knowledge or authorization of the government" and were "conducted solely to satisfy the scientific interest of the scientists involved." In May 2008, the IAEA concluded that it "considers all past undeclared activities involving uranium enrichment...conversion, and plutonium separation experiments as resolved." Since then, Seoul has implemented several institutional reforms and educational programs aimed at strengthening its oversight of the activities taking place in its nuclear research facilities. These past activities, however, have made it even more difficult for South Korea to gain support for acquiring dual-use technologies, such as those for uranium enrichment or spent fuel reprocessing, which could be used to produce nuclear weapons as well as nuclear energy. As South Korea has emerged as a nuclear exporter (see sidebar), its officials privately have voiced increasing interest in acquiring enrichment and reprocessing technology, in part to be able to provide potential customers with the full range of services for fueling their reactors and disposing of the spent fuel as many of its competitors already do. South Korea's civil nuclear objectives currently include attaining full self-sufficiency, which appears to include some increased capacity with regard to the nuclear fuel cycle. To be sure, South Korea's interest in pyroprocessing primarily results from the country's failure to solve its domestic spent-fuel management crisis. South Korea is far from alone in its failure to find a permanent site at which to dispose of its spent fuel, but the failure to win domestic political support for additional interim storage sites has led to an imminent crisis. Only a few years from now, South Korean scientists predict, the spent fuel pools at South Korea's nuclear plants will begin to reach capacity. South Korea has explored pyroprocessing as a potential long-term technical solution to this problem, although officials acknowledge that other measures such as interim storage would be needed for some time. Pyroprocessing

treats spent fuel to remove its extremely radioactive but relatively short-lived beta-emitter constituents, such as strontium, cesium, and iodine, and leaves behind unused uranium and the extremely long-lived transuranic alpha-emitters plutonium, americium, and neptunium. South Korea plans to irradiate these latter materials in yet-to-be-designed fast-burner reactors, ultimately reducing the overall quantity of waste requiring permanent disposal. Some in South Korea, particularly those in the Ministry of Education, Science, and Technology and in KAERI, which is part of the ministry, see this as particularly advantageous because South Korea's high population density makes it difficult to find sufficient space for a single, large, permanent underground repository for nuclear waste. Although other elements within the South Korean government may not be convinced of the wisdom of this approach, Seoul has reached a consensus that the option of moving forward with this technology should be preserved in negotiations with the United States on a new bilateral nuclear cooperation agreement. The old agreement, set to expire in 2014, prevents South Korea from carrying out any "alteration in form and content," such as traditional reprocessing, pyroprocessing, or enrichment, of U.S.-origin fuel without Washington's permission. Seoul is hoping to relax some of Washington's long-standing restrictions on the processing of spent fuel. The U.S. government has yet to give its blessing because it is worried that the process or its output could be too easily altered to produce a less benign product, that it will be too difficult to implement safeguards aimed to prevent such changes, and that any relaxation of U.S. rules would harm Washington's broader global and regional nonproliferation efforts. In particular, U.S. officials are concerned about how South Korean pyroprocessing would affect the 1992 denuclearization pact. Many in Washington fear that if South Korea were to break with the agreement openly by constructing its own reprocessing facilities, that action might provide a pretext for North Korea to claim its behavior was no more illegitimate than that of its southern neighbor. In addition, China and Japan see the denuclearization agreement as a cornerstone of the six-party talks, and U.S. officials will not want to provoke a rupture with Beijing or Tokyo. South Korean officials seek to sidestep this problem by differentiating pyroprocessing from standard reprocessing, claiming, contrary to the opinion of many U.S. experts, including U.S. government officials and those at U.S. national laboratories, that pyroprocessing is substantially more proliferation resistant. Traditional reprocessing uses liquid solvents and ultimately separates pure plutonium, a weapons-usable material. Pyroprocessing leaves the plutonium mixed with other transuranic elements, such as americium and neptunium. The United States and South Korea recently agreed to sign a memorandum of understanding to conduct a 10-year joint feasibility study on ways of handling spent nuclear fuel, including pyroprocessing. The study will be conducted in parallel with negotiations on the other issues related to the nuclear cooperation agreement. If the sides are not able to reach an understanding on pyroprocessing by 2014, when the current cooperation agreement expires, the two sides will have to agree whether and how to address the issue of pyroprocessing in the agreement. South Korean officials have talked privately and with increasing frequency of the need to build their own facilities to enrich uranium. To date, South Korea has relied on importing enriched uranium from Europe and the United States and then fabricating the fuel domestically. Yet, South Korea's domestic market alone, which currently includes 21 nuclear power reactors (see sidebar), has approached the point at which it could make economic

sense for South Korea to enrich the fuel itself. As that market grows and new overseas sales opportunities beckon, the lure of building enrichment facilities is likely to grow. This interest comes as the United States, in its bilateral nuclear cooperation agreements and in international venues such as the Nuclear Suppliers Group (NSG) and the IAEA, continues to try to limit the spread of enrichment facilities. Given Seoul's mixed nonproliferation record and the 1992 denuclearization agreement that disallows enrichment or reprocessing technology on the Korean peninsula, the United States and key regional states such as Japan and China are concerned about South Korea launching programs that involve such technologies. They fret that because of South Korea's other capabilities, such as in missile technology, the possession of such technologies could bring the country within a few months of being able to build a nuclear weapon. They also worry that South Korea's action might make it even more difficult to convince North Korea to return to the terms of the 1992 denuclearization agreement. South Korean officials counter that the United States and China long have had this concern about Japan's extensive reprocessing program as well, but that the United States has granted Japan permission to reprocess U.S.-origin fuel. In contrast to South Korea, however, Japan developed its reprocessing program before U.S. views on reprocessing changed in the mid-1970s following India's test of a "peaceful nuclear explosive," which used plutonium from reprocessed spent fuel. Also, Tokyo did not agree to restrictions such as those included in the Korean denuclearization agreement and has no known violations of its IAEA safeguards agreement. South Korea's rise as a nuclear exporter has made its policies on these issues not only a regional but also a global concern. Nevertheless, Seoul has hesitated to take a leading role in global nonproliferation efforts. Notably, it has been quiet about efforts by some NSG members, particularly the United States, to increase restrictions on the trade of enrichment and reprocessing technology. Moreover, unlike Japan (explicitly) and the United States (de facto), South Korea has not made adoption of an IAEA additional protocol a condition for supplying nuclear technology. Jordan, Turkey, and the UAE had agreed to abide by this protocol long before negotiating with South Korea, but other potential South Korean customers have not. South Korean officials have said they will support this requirement if the NSG endorses it, but not beforehand. Also, Seoul has been slow to cooperate with recent international efforts aimed against Iran's nuclear program. This hesitation is based on economic interests: Tehran is an important trading partner for Seoul, and South Korea gets about 10 percent of its oil from Iran. In September 2010, under U.S. pressure, South Korea announced new national sanctions on Iran. These measures included placing 102 Iranian firms and 24 people on a list "banning financial transactions without central bank approval," more thoroughly inspecting cargo from Iran, and curbing South Korean investment in Iranian oil and gas enterprises. South Korea also temporarily closed the Seoul branch of Bank Mellat, which is the Iranian bank's only office in East Asia. This bank is reported to have been involved with about 70 percent of all South Korean-Iranian transactions. The Seoul branch also was suspected of being used to transfer payments for Iranian-North Korean weapons transactions. Washington had been pressuring Seoul to close the Bank Mellat branch permanently, but the branch was reopened in December 2010, signifying that Seoul is still concerned about alienating a major trading partner. That same month, a South Korean company, DK Tech Corp., signed a \$750 million agreement with Iran to

develop two phases of the giant South Pars natural gas field. The deal was signed six months after another South Korean company withdrew from the project due to “mounting pressures of some [W]estern powers” related to the sanctions against Iran’s nuclear program. ...South Korea’s hosting of the 2012 nuclear security summit and its difficulties in dealing with spent fuel offer two particular opportunities to exercise leadership. If Seoul agrees to a cautious agenda for the 2012 meeting, it will be sacrificing a chance to make its own mark. South Korean officials should consider proposing a bold initiative of some type, such as seeking to conclude an agreement to phase out highly enriched uranium (HEU) in the civilian sector. At a time when U.S. funding for this effort faces cuts, South Korea should provide funding to help bring this about and urge other countries whose economies are faring reasonably well to follow suit. Although South Korea’s research reactors now rely only on low-enriched uranium, which is not suitable for nuclear weapons, research reactors in other countries still use enough HEU every year to make as many as 30 nuclear weapons. Because reprocessing raises nonproliferation concerns, Seoul should consider multilateral alternatives to its national effort to pyroprocess spent fuel. Such an effort would allow South Korea to address its spent fuel problems without undermining U.S. and global efforts to minimize the spread of enrichment and reprocessing technologies. Seoul could take the lead in establishing a new regional forum for more consistently and openly discussing possible options for dealing with regional spent-fuel stockpiles. Numerous emerging Asian economies, such as Indonesia and Vietnam, are contemplating nuclear power development, and many regional players are facing similar spent-fuel challenges. Although some of these states’ nuclear authorities are proposing similar solutions, there is little regional discussion or coordination of such issues. Sharing of best practices and lessons learned would be beneficial. (Chen Kane, Stephanie Lieggi and Miles Pomper, “Time for Leadership: South Korea and Nuclear Proliferation,” *Arms Control Today*, March 2011, pp. 22-28)

Bruce Bechtol: “Many questions about North Korea’s nuclear capabilities remain—despite the many reports, announcements, negotiations, and the two nuclear tests that Pyongyang has conducted. North Korea has not been transparent about either its intentions or its military capabilities. Thus, the debate over whether North Korea actually has bombs or only “devices,” continues today. The debate over whether or not North Korea has— or will have soon—a warhead that could be mounted on a missile, also continues to exist among policymakers, academics, and intelligence personnel. ...A plutonium nuclear weapons capability is one that all analysts can agree the North Koreans hold in their arsenal. But there are several things about a plutonium capability that one must keep in mind. A successful plutonium weapon is generally going to be larger than an HEU weapon. Because of the amount of explosives needed and the size of the weapon, a plutonium weapon is also considered to be far more difficult to fit on a missile as a warhead than an HEU weapon. This does not mean that North Korea has not developed alternative means (bombs). The delivery means for a plutonium bomb are rather diverse. But considering the assessment that to date any weapon the North Koreans would have would be very primitive, one can reasonably assume that the weapon would have to be quite large, would have a primitive triggering or implosion mechanism to cause the nuclear weapon to detonate, and would have a fission process that would possibly not detonate the weapon to its full capability (as with the

assessed production of the underground nuclear test of 2006). Given the asymmetric thinking that the North Koreans are well known for integrating into their planning process, there are a number of delivery systems for a plutonium bomb that the North Koreans could use. The first and most obvious method would be to simply drop a plutonium bomb from an aircraft. The North Koreans have aircraft that are assessed to be capable of conducting such a mission. The H-5 aircraft is the Chinese version of the old Soviet IL-28 light bomber. The Chinese are thought have given many of these aircraft to the North Koreans sometime during or after the 1960s, and there are currently around 80 H-5s in the North Korean air force inventory. The H-5 is an old aircraft (though likely well maintained by the North Korean air force), it is very vulnerable to air defenses in both South Korea and Japan, and the North Koreans would likely have to limit the weight of the weapon that it carried just for it to get off of the ground. The weight limits of the H-5 are important for consideration. This may have been the reason for the relatively low projected yield of the nuclear weapons the North Koreans tested underground in 2006 and 2009. By limiting the size of the weapon, they may have been testing a device that would be small enough to fit onto one of their aircraft, yet large enough to produce an explosion that would kill tens of thousands of people. Despite the sophistication of Japanese and South Korean air defenses, using asymmetry, and even trickery, it is possible that a North Korean aircraft might be able to trick its way into South Korean or Japanese airspace. But it would take intricate planning, and a lot of luck. Thus, one has to believe that if this is one of the planned delivery systems for a nuclear weapon, it is unlikely to be the primary choice. Another delivery means for a nuclear weapon that is far more ominous would be that of using a ship disguised as a merchant cargo vessel or a trawler. This is far more ominous than it sounds on the surface. In times of tension, Japanese and South Korean port authorities would likely be on the lookout for North Korean ships transiting their ports. But what must be considered in the North Korean modus operandi is that the method of surprise has often been a key aspect of any operation or provocation. What makes the scenario of a ship sailing into a Japanese or South Korean port and then detonating a nuclear weapon even more compelling is the fact that the North Koreans often "re-flag" their ships, sailing under the flags of other nations (this has been a largely successful mode of operation for them in the past). There are two key advantages for using a merchant ship or a specially equipped fishing trawler as a delivery means for a nuclear weapon: 1) It would be much easier to get this delivery means past defensive measures in South Korea or Japan because of the high scale of merchant vessel traffic that transits their ports; and 2) a primitive weapon would probably be less limited by size than a weapon carried on an aircraft such as the H-5. The scenarios for using a ship as the delivery means for a nuclear weapon are diverse—and perhaps this is what makes them so ominous. A merchant ship or a fishing trawler could be equipped with a primitive nuclear device and then sailed into a major South Korean port city such as Busan or Pohang, or Ulsan. Once the weapon was detonated in such a populous area, it would likely kill tens of thousands of people (even if it were a primitive weapon). In a port like Pohang, the possibility exists that it would also kill a large number of military personnel (in addition to the high civilian casualty count), as it is also the home of a ROK Marine division. The Pohang area is also frequently the site of combined training with U.S. and ROK Marines, and if it was during such a time period the possibility exists that many U.S. personnel would be counted among the

casualties as well. Busan is a key reception and staging portal to the Peninsula. Detonating a nuclear weapon there would shut down a key shipping and air node. Busan would be very vulnerable to an attack due to the high population and symbolism—it was the only spot not overrun by the DPRK during the Korean War and thus, from Pyongyang’s perspective, carries with it the shame associated with the notion of a “foreign stronghold” in Korea. There is also a large Japanese presence there. Last, it is located in the province where much of the political power comes from in South Korea. Literally all the presidents (up to and including Lee Myungbak), with the exception of Kim Dae-jung, have hailed from Gyeongsang-do. Merchant and naval ports would also be very susceptible to attack if North Korea chose to use a ship as the delivery means to attack Japan. A merchant ship or fishing trawler could make a port call at the cities of Yokohama or Sasebo (among many others). Yokohama opens into Tokyo Bay, and is a highly populated area where Japanese casualties would be maximized. Sasebo is also the home of a large U.S. Navy base. A detonation of a nuclear device there would cause not only a large amount of Japanese deaths (likely in the thousands), but would also have the potential to kill thousands of Americans—both military and civilians. If one is to wonder why North Korea would attack Japan instead of South Korea (or in addition to South Korea), the answer is rather simple: A nuclear attack on Japan immediately before a full-scale war were to commence on the Korean peninsula (or soon thereafter) would create immense problems in both the ROK-U.S. alliance and the Japan-U.S. alliance. Such an attack would likely cause such outrage among the Japanese populace, that the Prime Minister would be pressured to take immediate action against the North Koreans. This would of course cause great angst in Seoul, where any direct Japanese involvement in a war on the Korean peninsula would likely be simply unacceptable. As the United States sought to navigate the diplomatic and military minefields that seeking an acceptable solution to both of its key allies in East Asia would cause, North Korean conventional forces could be advancing through the Cheorwon Valley and the Kaesong-Munsan Corridor. Indeed, a North Korean nuclear attack on Japan would strike not only a tragic blow to the country affected, but would likely be successful in causing political turmoil that would create vulnerabilities in the military reactions of the United States, South Korea, and Japan. When considering scenarios that revolve around a North Korean nuclear attack using an HEU weapon, there are differences that are significant if compared to possible attack instances involving a plutonium weapon. First of all, while it makes sense that North Korea has either completed construction of an HEU weapon or is close to doing so, there is no definitive proof that this is the case. Evidence remains sketchy and the North Koreans have not been forthcoming in their disclosure of information regarding the HEU program (except for the two earlier referenced statements to the UN). But the many anecdotal pieces of evidence when put together like pieces in a puzzle, do form a picture of a program built with the help of the Pakistanis, with years to achieve maturation, and the resources and know-how to build a legitimate weapon. Thus, scenarios for this paper will be articulated based on the assessment that North Korea has completed weaponization of its HEU program—or will do so in the near future. The thing that makes an HEU program particularly threatening when compared to a plutonium program, is that HEU weaponization lends itself to building a warhead for a missile. In fact, this appears to be exactly the direction in which Pyongyang is heading. An evaluation of evidence uncovered when Libya gave up (in its entirety) its nuclear

program shows that they had received the designs for a 500 kilogram HEU warhead for a missile from the Pakistanis. The plans also had Chinese writing on them, so one must assume (as have most analysts) that the Pakistanis took blueprints and designs for an HEU warhead given to them by the Chinese and passed them on to the Libyans. This is important when it comes to North Korea because the Pakistanis also reportedly provided the same blueprints to both the North Koreans and the Iranians. The danger to the region in Northeast Asia is that a 500 kilogram warhead can easily fit onto a No Dong missile (which the North Koreans also sold to the Pakistanis and is likely the reason for that particular design). The Libyans were reportedly trying to acquire the No Dong missile from the North Koreans before they agreed to dismantle their nuclear program under the eyes of international inspectors. [42] According to numerous sources, since at least 2003, the North Koreans and Iranians have been collaborating on perfecting a design for an HEU warhead that could be mounted on a No Dong—known as the Shahab-3 in Iran—and this is not only the most likely missile that Pyongyang would use in a nuclear attack involving an HEU weapon, but also the most likely delivery means that Iran would use, should Tehran choose to initiate a nuclear attack (presumably against Israel). The No Dong missile is the platform that would offer the most stability for a 500 kilogram nuclear warhead. Thus, one needs to consider the range of the No Dong. South Korean and U.S. military officials now assess that the No Dong has a range of up to 1,500 kilometers. This means that a nuclear-armed No Dong missile now has the range to hit Tokyo, or other key nodes in Japan—including U.S. bases in Okinawa. It also means that the same type of missile, fired from a different trajectory, could hit key nodes in South Korea, such as Busan, Gunsan, or even Jeju Island. The big question of course is whether or not North Korea has completed its HEU weaponization program, and (perhaps just as importantly) perfected the design for a 500 kilogram HEU warhead that would be mounted on a No Dong missile. Launching a nuclear capable missile at Japan would create all of the same alliance issues that were discussed earlier involving the plutonium weapons. If several missiles, or, a “volley,” were launched at Japan, that would make it more difficult to use ballistic missile defense systems to shoot them down. The same applies if this tactic were to be used against South Korea. Of course, an HEU weapon could also be launched using the bomber aircraft described earlier, or even using a ship sailing into an unsuspecting port (also described earlier when addressing the Plutonium program). ...These capabilities lead one to ask the question, would a preemptive strike be the best methodology for preventing a North Korean nuclear attack? If so, how would it be carried out, and what would be the reaction from the North Korean government? In a September 2010, speech given at a seminar co-sponsored by the Korea Defense Forum and the Northeast Asia Peace and Security Forum, the Chairman of the South Korean Presidential Commission for National Security Review, Lee Sang-woo, stated in part, “Only when it possesses the ability to attack targets precisely with non-nuclear weapons and incapacitate North Korea’s WMD ability before it is used will South Korea, which maintains a nonnuclear military policy, be able to head off North Korea’s military edge.” Perhaps in response to this very publicly disseminated statement, North Korea’s propaganda services stated on September 17, 2010, that their nation was ready for a preemptive strike by South Korea, articulating in part, “it will get nothing but miserable self-destruction.” The problem of carrying out a preemptive strike against North Korea is exacerbated by the fact that the locations of its nuclear weapons

(bombs or warheads for missiles) are unknown. What is known is that these weapons are unlikely to be located either at Yongbyon (for plutonium) or Sowi-ri (for HEU). In fact, it is very likely that the nuclear weapons are dispersed to several places in North Korea. For plutonium bombs (Estimates vary, but North Korea may have processed enough plutonium for up to 15 nuclear weapons), each bomb may literally be dispersed at a different location. Based on delivery means, it is likely that one or more are dispersed near airfields where they could be deployed aboard bomber aircraft, or near ports where they could be loaded onto merchant vessels. They could also be dispersed to naval bases where the merchant craft could be brought in for loading of the nuclear devices. In the case of an HEU weapon—if it exists already—there is no estimate on how many exist. If the North Koreans have perfected the methodology for mounting a 500-kilogram warhead on a No Dong, the obvious place to expect these weapons to be deployed would be near No Dong bases. There are several in the country. The issue that makes this all the more ominous is the fact that a No Dong can be launched from a Transporter-Erector-Launcher, and thus could be moved to any mobile location in the country, from where the missile could be launched. Thus, the option of a preemptive strike will have to involve much more than simply taking out all of the weapons—even if their locations were known. The other factor that is key when one assesses the possibility and results of a preemptive strike, is what the reaction of the North Koreans would be. North Korea is in possession of hundreds of long-range artillery systems deployed along the DMZ with South Korea that are capable of hitting Seoul. In addition, up to 20 percent of these systems are assessed to be equipped with chemical munitions. An attack could be initiated within a matter of minutes because all of these systems already sit within firing positions. In addition, North Korea would be likely to use all of the tools that were quickly available in its arsenal to strike back at South Korea and the United States. This would include what is likely to be attacks by its Special Operations Forces and the more than 800 short- and mid-range missiles in its arsenal. All of this means that the ROK-U.S. alliance would have to go after more than just sites where nuclear weapons were believed to be deployed. Any preemptive strike would have to include a strike on command and control facilities, any airfields where aircraft with nuclear weapons could be deployed (as well as airfields where fighters could be launched in retaliation), long-range artillery sites along the DMZ, naval bases and ports where ships could be carrying nuclear weapons, and key leadership nodes in Pyongyang. In short, the only way to even be modestly sure that the nuclear weapons, the means to control them, and the ability to mount a massive retaliatory strike could be destroyed, would be to start an all-out war. Thus, in any planning for a preemptive strike, the assumption that this would start a full-scale war should be an integral part of the process. The military forces in Korea (ROK and U.S.) annually train at least twice a year for scenarios that involve fighting a force-on-force conflict with North Korea, North Korean crisis situations, and other scenarios that the ROK-U.S. alliance could potentially confront in the future. A nuclear scenario is also something that ROK and U.S. forces train for—and plan for—as part of their routine military readiness (usually in command-post exercises). According to open sources in the press and elsewhere, OPLAN 5027 and other corresponding war-plans include planning for a nuclear scenario and also include preemptive strike options. There are political problems of course when one addresses how a North Korean nuclear strike (either impending or one that has just occurred) would be responded to. Colonel John Collins addressed

this in the following quote: “Any of the U.S. options described above could trigger uncontrollable escalation that would create appalling casualties on both sides of the DMZ and promise a Pyrrhic victory at best. Unilateral actions by the United States without unqualified ROK agreement and willing participation every step of the way would be immoral as well as ill-advised.” Colonel Collins gets to the center of the problem when he addresses agreement between South Korea and the United States. Any response to a nuclear attack from North Korea would have to involve a process where both nations agreed on exactly the type of action to be taken. And much of this would be contingent on where the attack occurred, how many casualties it inflicted, and (of course) the political leanings of the governments in both Seoul and Washington. Of course, being able to plan for and recognize an impending North Korean nuclear attack is contingent on good intelligence. The United States and South Korea have a huge array of intelligence collection systems that target North Korea. In fact, South Korea is able to rely on its ally for some of the most sophisticated collection systems ever fielded—and these systems significantly enhance the planning process. But the fact of the matter is that North Korea is perhaps the most opaque country on earth, and thus the well-guarded secrecy that Pyongyang is able to use to protect its planning, its weapons systems, and the type of attacks that it will conduct in a nuclear scenario, limits the capabilities of the ROK-U.S. military alliance in being able to actually verify that a nuclear attack is impending. That takes us back to the dilemma of once again evaluating the level of tensions on the Korean peninsula, clear-cut evidence that Pyongyang is actually readying a nuclear-equipped delivery means for an attack on South Korea or Japan, and the political leanings of the governments in Seoul and Washington. To address this dilemma, during October of 2010, South Korea and the United States set up a joint military committee specifically designed to deter threats from North Korea’s nuclear weapons capabilities (and other WMD threats). The committee, now known as the “Extended Deterrence Policy Committee,” was formed as a result of the annual Security Consultative Meeting between U.S. Defense Secretary Gates and South Korean Defense Minister Kim. It is the first such committee that the United States has created with a non-NATO ally. In any scenario, Seoul is likely to be reluctant to support a nuclear attack on North Korea. The reasons for this are obvious. If a full-scale war were to erupt on the Korean peninsula, the end state that would be planned for would be a reunification of Korea under a liberal democratic government in Seoul (this is a stated policy goal). This means that a reunified Peninsula under Seoul would then have a large area in North Korea that had just been decimated by a nuclear attack. If the nuclear attack by allied forces were to follow a North Korean nuclear attack (in other words if the allied nuclear attack was not a preemptive strike), this would then mean that the government in Seoul would have the huge and ominous task of having to clean up not one, but two nuclear-strike sites. As discussed earlier, this would have environmental and population ramifications for as long as a generation. It thus appears likely, that whether the situation called for a preemptive strike (if the level of intelligence available was able to show that this was necessary), or responding to a strike that had just been made, the South Korean government is most likely to push for a response that is carried out by conventional weapons systems. Based on the evidence presented in this paper, it is obvious that even using the most primitive type of nuclear weapon, North Korea could launch a nuclear strike that would likely kill tens of thousands of people in either South Korea or Japan. This is a capability that North

Korea possesses right now. If and when North Korea is able to perfect the technology for fitting an HEU warhead to a missile (if they have brought their HEU weaponization program to fruition, and this may already be the case), North Korea will be able to launch a strike from mobile missiles at either South Korea or Japan. No matter what preparations are made to prepare for such an attack, the casualties would be enormous—as would be the second order effects for as long as a generation. Intelligence on North Korea's intentions is sketchy at best, and thus limits the likelihood of a preemptive strike. A preemptive strike is also limited by the ramifications. Because of North Korea's ability to strike back and its unpredictable government, any preemptive strike would have to be so widespread and large-scale that there is almost no doubt it would cause an all-out war on the Korean peninsula. All of these assessments put together add up to the premise that avoiding a nuclear war of any kind on the Korean peninsula can and should remain a high priority. There will be no winners, only varying degrees of great loss." (Bruce Bechtol, "Planning for the Unthinkable: Countering a North Korean Nuclear Attack and Management of Post-Attack Scenarios," *Korean Journal of Defense Analysis* (Vol 23 No 1), March 2011, NAPSnet, October 6, 2011)

3/24/11

WFP/FAO/UNICEF: "• DPRK has suffered a series of shocks in recent months, leaving the country highly vulnerable to a food crisis. The Public Distribution System (PDS) will run out of food at the beginning of the lean season - May, June, July. This will substantially increase the risk of malnutrition and other diseases, particularly in food deficit counties. • More than six million vulnerable people are in urgent need of international food assistance, due to a substantial reduction of agricultural production and commercial imports, as well as a decrease or curtailment of bilateral assistance. • Most vulnerable to food insecurity are: children; pregnant and lactating women; elderly; large families with a high dependency ratio (i.e. few income earners, but many children and elderly dependants); people unable to work because of prolonged or chronic illnesses, particularly those with tuberculosis (TB); and people with disabilities. • The mission recommends provision of a total of 297,000 MT of cereals and 137,000 MT of fortified blended food to 6,100,000 vulnerable people. First priority is to assist vulnerable people living in the five most food-insecure northern and eastern provinces. Second priority is to assist vulnerable people living in the food deficit counties of the other provinces. • The PDS currently provides an average of 381 gm of rice and maize, equivalent to only 1314 kcal, which is about one-half the minimum daily energy requirement for DPRK. • PDS dependants are currently coping with reduced rations by relying on relatives living in rural areas; reducing the number of meals consumed in a day, decreasing the portion size; and increasing utilization of wild vegetables. • The total 2010/11 staple food production is approximately 4,252,000 MT. This figure is 232,000 MT below that reported by the 2010 CFSAM, mainly due to prolonged cold winter which will reduce the harvest of winter wheat, spring barley, and potato. • A higher than normal proportion of potato seed in winter storage has been damaged. The Mission estimates that the 2011 spring season production will be 60 percent of planned. • Production of pickled vegetables (kimchi) has been reduced due to the heavy rains in August and early September. Kimchi comprises an important food component of the diet, particularly in the winter months. • There is a cereal import requirement of 1,086,000 MT for the 2010/11 marketing year, which is 219,000

MT higher than the 867,000 MT anticipated by the CFSAM 2010. • The commercial import capacity of DPRK in 2010/11 has been reduced as a result of reductions in export earnings, as well as higher international food and fuel prices. The government currently plans to import 200,000 MT of cereals, a reduction of 125,000 MT from the 325,000 MT that was informed to the CFSAM mission in October 2010. As of end-January, the government had imported only 40,000 MT out of 200,000 MT in their revised plan. • The reduction of bilateral food assistance in recent years has had a substantial impact on food and nutrition security. • A package of health and nutrition interventions is needed for mothers and children in order to improve nutrition security. • Improved water supply and sanitation are needed in all baby homes, orphanages, primary and secondary boarding schools, as well as hospitals, nurseries, primary schools, hospitals, and rural clinics. • Agricultural interventions are needed to improve food security in the short and medium term, including potato storage and grain drying, as well as measures to address the Foot and Mouth Disease outbreak • Improved monitoring and reporting will be critical to ensure the effectiveness and efficiency of support provided. ...Between 14 and 21 February WFP staff assessed five counties where WFP does not currently have operations. From 21 February through 11 March, an interagency UN mission made of WFP, FAO and UNICEF staff visited 40 counties in nine (9) of the eleven (11) provinces and municipalities of DPRK, including 20 counties where WFP does not currently have operations. ...The Mission received unprecedented access to state shops, daily markets in Province centers, and 10 day farmer markets in County centers." (WFP/FAO/UNICEF, *Rapid Food Security Assessment Mission to the DPRK Special Report*, March 24, 2011)

3/25/11

More than 6 million people in North Korea urgently need food aid because of substantial falls in domestic production, food imports and international aid, the United Nations said. In a report providing a rare glimpse into the reclusive communist state, where a famine in the 1990s killed an estimated 1 million people, three U.N. agencies said North Korea's public distribution system would run out of food at the beginning of the lean season that runs between May and July. The U.N.'s Food and Agriculture Organization, World Food Program and Unique recommended providing 434,000 metric tons of food aid for 6.1 million people. Children, and the elderly were among the most vulnerable in a country suffering from chronic food shortages and malnutrition, they said. The agencies, which visited nine of North Korea's 11 provinces and municipalities, said the state-run distribution system would reduce food rations -- mostly rice and maize -- from the current 400 grams per person as its stocks dwindled. "This is extremely worrisome as 16 million people depend on this system for the bulk of their staple food requirements," said the report. While it called the nutrition situation in the country relatively stable for now, it said 25 percent of women aged 15 to 49 were undernourished, and a high number of children -- 45 percent in one province -- were stunted and under-weight. "The likelihood of a deterioration of acute malnutrition (wasting) must be considered high," it said. The northern and eastern provinces of Ryanggang, Chagang, North Hamgyong, South Hamgyong and Kangwon were the hardest hit. Of the 122 households the U.N. envoys interviewed, only very few had an "acceptable food consumption," nearly two-thirds reported reducing the size of portions and about half reported skipping one or more meals in the week prior to the interview. The report put North Korea's cereal import requirement at 1,086,000 metric

tons for the 2010/11 marketing year, up from 867,000 metric tons anticipated in a November 2010 assessment. By contrast, it said the government now planned to import only 200,000 metric tons of cereals -- a reduction of 125,000 from what Pyongyang had announced in October 2010 -- due to reduced export earnings and higher food and fuel prices. (Silvia Aliosi, "Over 6 Million Need Food Aid in North Korea: U.N." Reuters, March 26, 2011)

North Korea's ambassador to Beijing met with a high-ranking Chinese official one day before the first anniversary of the Cheonan sinking, which took place on March 26, 2010, according to KCNA. Jia Qinglin, chairman of the National Committee of the Chinese People's Political Consultative Conference, entertained North Korea's envoy to China, Ji Jae-ryong, to discuss strengthening "tactical communication" between the two countries through more exchanges of high-ranking personnel, KCNA reported. "The friendship between China and North Korea is a special joint asset that has endlessly strengthened, developed and triumphed against changes in international situations," Jia told Ji, according to the news agency, which reported the meeting three days after it took place. Jia is known to be the fourth most powerful figure in China. "Last year, North Korean leader Kim Jong-il visited China twice and met with President Hu Jintao," Jia was cited as saying by the news agency. "There were many great changes and joyful events between the two countries as the two were able to match views on many important issues, including the development of the friendly ties between the North and China. It is the [Chinese Communist] Party and government's consistent policy to endlessly solidify and [build] better relations between the two countries," Jia said, according to KCNA. Jia was also quoted as saying that ties between North Korea and China were "maintaining an excellent course." (Christine Kim, "A Year after Cheonan, North and China Bond," *JoongAng Ilbo*, March 29, 2011)

3/25-26/11

Wit/Sigal Track 2: "...the key thing is that these talks, in Berlin, were not officially aimed at "political" or even "diplomatic" issues per se, but, rather, had the interesting goal of developing an "if/then" proposition: IF the political decision is taken by the US, S. Korea, China, Japan and N. Korea to resume nuclear negotiations at some point...THEN what would be useful and necessary to have been discussing in order to make it possible for the DPRK to rejoin the international nuclear system...in order words, the IAEA. The discussions, which were not, apparently, held with DPRK nuclear experts, focused on identifying possible areas of technical US cooperation with the DPRK, especially those focusing on safety and security of nuclear plants and fissile material. That naturally would include "non-proliferation" concerns, so one can argue that political and strategic issues by definition were on the agenda, of course. Further, sources say that the DPRK delegation wanted the US side to accept the notion of N. Korea as a nuclear state like India, but that the US side wouldn't play that game. (Another potential "trap" is that if one of the discussion topics becomes "safeguarding" DPRK nuclear materials, there's an implicit potential to "accept" the DPRK as a nuclear state...which of course the US officially refuses to do.) A final point, until we know some more about both Track 2's: it just happens that S. Korea will host a "nuclear security conference" in Seoul next year...President Lee himself will host. The potential for the

DPRK to attend, to want to attend, in 2012, is pregnant with possibilities, and we'll just leave it at that for tonight. (*Nelson Report*, March 30, 2011)

3/27/11

South Korea repatriated 27 of 31 North Korea who drifted across the West Sea NLL. (Kim Se-jeong, "27 N. Koreans Sent Back Home via Sea," *Korea Times*, March 27, 2011)

A delegation of North Korean economic officials arrived in New York today, saying that they want to explore the possibility of economic cooperation with the United States. The 12-member delegation, comprising mid-level officials from the trade, agriculture and other ministries, flew from San Diego, where they had stayed after arriving in the U.S. on March 19 at the invitation of the Institute on Global Conflict and Cooperation at University of California, San Diego. The delegation's trip to New York was organized by the Asia Society. "We're an economic delegation. We're here to discuss and look for the possibility of economic cooperation between us and the United States," one member of the delegation said. Washington has downplayed the significance of the North's delegation, stressing that their visit is a privately organized event in which the government has played no part. "Our assessment is that they are not here for talks between the North and the U.S., considering the agencies they belong to and their ranks," a source here said. "It's difficult to fathom the real intentions of the North, but for the U.S., it might have seen no reason to reject the North's delegation coming to learn about the capitalist economy." (Yonhap, "N. Korean Economic Delegation Arrives in New York," March 27, 2011)

3/29/11

NSA Donilon: "Unless we can meet the challenge posed by Iran and North Korea, additional countries in the Middle East and East Asia could well leave the NPT and develop their own nuclear weapons, thus reversing any movement towards disarmament. Moreover, Iran and North Korea are challenging the viability and credibility of the treaties and institutions that form the bedrock for disarmament. No matter how much we strengthen the regime on paper, it will be meaningless if countries feel they can violate the rules with impunity. As President Obama said in his Prague speech, —Rules must be binding. Violations must be punished. Words must mean something. The world must stand together to prevent the spread of these weapons. On North Korea, since President Obama took office, we have made clear that we were prepared to talk directly with the North Koreans and that we are open to an agreement that would also provide security for North Korea. The Six-Party Joint Statement of 2005 provides the framework for such an agreement. At the same time, President Obama made clear that North Korea can never find the security that it seeks unless it fulfills its commitments to complete denuclearization and abides fully by the terms of its international obligations. We and our partners have underscored that North Korea must begin taking irreversible steps towards denuclearization before it can obtain the benefits it seeks from the international community. North Korea chose not to take such a path, instead reverting to its old pattern of provocation followed by demands for compensation. We have refused to reinforce that pattern. Instead, we have tightened international sanctions, including financial measures and an arms embargo. We have established an unprecedented level of cooperation with our allies South Korea and Japan, and worked closely with China and Russia as well. In response to this solidarity and pressure, in recent months North Korea has begun talking about a

return to Six Party Talks, which it declared irrevocably dead last summer, and been making other gestures indicating a desire to return to talks. What we are insisting upon is that negotiations not repeat the old pattern, but rather that **North Korea first needs to engage with the South and address issues surrounding its military provocation and then take significant and irreversible steps toward the goal of denuclearization. Those steps must include monitored suspension of their newly declared uranium enrichment program.**" (Thomas Donilon, National Security Adviser, Keynote Address to the 2011 Carnegie International Nuclear Policy Conference, March 29, 2011)

South and North Korea will hold expert-level talks today in Munsan, north of Seoul, on potential volcanic activity at Mt. Paektu in the North, amid signs of easing tension. The meeting of volcanologists from both sides is expected to deal with conducting joint research on the mountain, which experts say could have an active core. It last erupted in 1903. The South will send four experts to speak with three from the North to the meeting slated to open at 10 a.m. at the Dorasan Customs, Immigration and Quarantine center near the border. If the meeting goes well, officials here say it could lead to government-level cooperation on the matter. The scientific talks come amid early signs of a thaw between the sides, still at odds over two deadly provocations by Pyongyang last year. "For South Korea, the civilian-level exchange is a barometer to judge whether the North has any real intention to hold inter-Korean dialogue, despite what Pyongyang may say officially," said Park Young-ho, a senior fellow at the government-affiliated Korea Institute for National Unification. (Kim Young-jin, "Koreas to Discuss Mt. Paektu Today," *Korea Times*, March 28, 2011) Experts from South and North Korea agreed Tuesday to advance their joint study of potential volcanic threats from the peninsula's most famed mountain, Mount Paektu, striking a rare chord of harmony amid high tensions between their countries. The sides did not agree on a date for another round of talks even though the North insisted that they would gather again in early April, a proposal the South would "quickly review," Ryu In-chang, a Kyungpook National University professor of geology, told reporters. The 2,750-meter-high peak, deemed the origin of the Korean nation in lore, last erupted in 1903, but experts warn it may still have an active core, citing topographical signs and satellite images. (Sam Kim, "Two Koreas Agree to Advance Study on Volcanic Threat," *Yonhap*, March 29, 2011)

In what appears to be the U.S. government's strongest public statement to date on the issue, a Department of State official said last month that the U.S. government now views pyroprocessing, a spent fuel treatment process that South Korea is developing, as a form of reprocessing with proliferation risks similar to those of other forms. In March 29 remarks at a nuclear policy conference in Washington, Richard Stratford, the State Department official who is responsible for U.S. nuclear cooperation agreements, said the Department of Energy "states frankly and positively that pyroprocessing is reprocessing. Period. Full stop." The Energy Department, which is the U.S. government's main source of technical expertise on nuclear issues, "did not say that five years ago when we started down the road of cooperation on pyroprocessing," Stratford said. "Then the product was not weapons usable." However, he said, electroreduction and electrorefining, the key elements of pyroprocessing, have

"moved to the point that the product is dangerous from a proliferation point of view. So, for that reason, pyroprocessing is reprocessing, and that's part of the problem." Previous public statements on pyroprocessing by the Bush and Obama administrations had indicated proliferation concerns about the technology, but had not been as unequivocal as Stratford's. (Daniel Horner, "Pyroprocessing Is Reprocessing: U.S. Official," *Arms Control Today*, April 2011)

3/30/11

South Korea says marines are staging artillery firing drills from a front-line island shelled by North Korea last year. A Defense Ministry official says today's drills are at Yeonpyeong Island near the disputed western sea line with North Korea. (Associated Press, "South Korea Conducts Live-Fire Drills on Front-Line Island Shelled Last Year by North Korea," March 30, 2011) The firing exercise was started by marines on Yeonpyeong Island, near the tense Yellow Sea border with North Korea, at around 9:30 a.m. and was scheduled to last for about three hours, said Col. Lee Bung-woo, a spokesman at the South's Joint Chiefs of Staff (JCS). Another firing drill took place on Baengnyeong Island, the closest island to the sea border, on the same day, Lee said. "These exercises are being staged as part of our military's routine drills," Lee said, adding the South's military has not detected any unusual military movements by the North's armed forces. Air Force fighter jets were on standby in the air in case of any contingency, Lee said. "We will continue to conduct live-fire drills on border islands on a regular basis to bolster military capabilities there," he added. As always, JCS officials said, the artillery guns on the islands were aimed south, away from North Korea. K-9 self-propelled howitzers, 81-millimeter mortar guns and Vulcan guns were mobilized for the drills, according to the official. Pyongyang claims its artillery strike on Yeonpyeong was in self-defense because it was provoked by Seoul's live-fire drill near the island. Seoul said the drill was part of routine training and no shells landed in the North's territory, accusing Pyongyang of a premeditated attack. The South's military held a live-fire drill on Yeonpyeong on Dec. 20 amid the North's pledge of retaliation. Later in the day, the North said it would not retaliate over the drill, saying it was "not worth reacting." (*Korea Herald*, "S. Korea Conducts Live-Fire Drill on Yeonpyeong Island," March 30, 2011)

North Korean officials sounded upbeat after three days of talks in Germany with former U.S. officials on the denuclearization of the Korean peninsula and disputes between the two nations. The six-person North Korean contingent was led by Ri Gun, the director general of the North American affairs bureau of the Ministry of Foreign Affairs, and his deputy Choe Son Hui. Prior to flying home, Ri told reporters the meetings had been "honest and sincere exchanges" and that they had "agreed to achieve our common goal through communication." "Both North Korea and the United States were able to exchange our opinions unofficially," he told reporters. "We need to resolve our concerns through dialogue and negotiation." He said because the meetings were unofficial he would not elaborate, and took no questions. In Germany, the two sides met at a secluded castle from Sunday through Tuesday for the talks behind closed doors, said Charles King Mallory, executive director of the Aspen Institute think tank, which organized the gathering. The American delegation was led by Tom Pickering, a former undersecretary of state for political affairs at the State Department. There was no official U.S. government involvement. (Associated Press, "North Korea Upbeat after Talks in Germany with Former U.S. Officials on Nuclear Issues," March 30, 2011) Ri Gun said, "Both sides have agreed that concerns [over North Korea's nuclear issue] should

be resolve through dialogue and negotiations, not confrontation." (Yonhap, "Delegates from N.K., U.S. Agree to Solve Problems via Dialogue," March 30, 2011)

South Korea expressed strong protest after Japan authorized a dozen new textbooks renewing territorial claims to the South's easternmost islets of Dokdo in a move sure to sour the warming relations between the two neighbors. The approval represented a bolstering of Tokyo's claims over Dokdo because only 10 of the 23 textbooks currently in use in Japan have territorial descriptions of the islets. In particular, the number of textbooks claiming South Korea is "illegally occupying" Dokdo rose from one to four. The controversial books were part of a total of 18 geography, history and citizenship textbooks newly licensed for use at middle schools across Japan from next year. "Our government strongly protests Japan's authorization of the middle school textbooks ... and urges Japan to correct this immediately," Foreign Ministry spokesman Cho Byung-jae said. "Dokdo is our territory where our country firmly exercises sovereignty and our people can travel freely. The position of our government is firm that we will respond sternly to any attempt by Japan to impair our sovereignty over Dokdo," he said. Cho also expressed "deep disappointment and regret," saying newly authorized history textbooks "still justify and beautify wrong views of history." He urged Japan to face up to history and carry out its pledge to move relations between the two countries forward in a future-oriented manner. Foreign Minister Kim Sung-hwan called in Japanese Ambassador Masatoshi Muto and lodged protests, saying that Japan's move amounts to "inflaming the painful scar on our people in that Dokdo is our territory that had been forcefully occupied" during the course of Japan's colonization, a ministry official said. Kim was also quoted as saying that the Japanese move is undesirable not only for relations between the two countries, but also for the future of Japan because it "inculcates wrong perceptions of history" in younger generations. Despite the textbook row, South Korea went ahead with its plan to ship 500 tons of drinking water and instant rice to Japan on Wednesday in a third batch of relief supplies for the quake-stricken neighboring nation. (Chang Jae-soon, "S. Korea Strongly Protests Japan's Approval of Textbooks Renewing Claim to Dokdo," Yonhap, March 30, 2011)

A North Korean high-ranking diplomat said that delegates from North Korea and the United States have reached an agreement to solve their ongoing problems through dialogue and negotiations in an unofficial meeting held here. "Both sides have agreed that concerns [over North Korea's nuclear issue] should be resolved through dialogue and negotiations, not confrontation," said Ri Gun, director general of the North American affairs bureau of North Korea's foreign ministry. "(Delegates from the two countries) have seriously discussed each other's opinions and have shared various views." His remarks came as he prepared to depart Berlin's Tegel Airport, ending his a week-long trip to Berlin to attend a seminar hosted by the Aspen Institute, a U.S. think tank, to exchange opinions with some former U.S. officials on reopening the six-party talks. A North Korean delegation led by Ri arrived in Germany March 24. (Yonhap, "Delegates from N.K., U.S. Agree to Solve Problems via Dialogue," March 30, 2011)

KCNA: "The chairman of the Central Committee of the DPRK Red Cross Society sent a notice to the president of the Red Cross of south Korea proposing to have a north-south Red Cross working contact to discuss and settle the issue of the four inhabitants

of the DPRK detained in south Korea. The DPRK side, repeatedly urging the repatriation of all its detained inhabitants on March 7, proposed having a north-south Red Cross working contact for confirming through a face-to-face meeting the intentions of the four inhabitants the south Korean authorities claimed expressed their will to "defect to the south, " the notice said, adding: As regards this proposal, the south side clarified several times its stand that if 27 people are sent back, to begin with, it will be possible to have a north-south working contact to discuss the issue of confirming the intentions of the four people at a face-to-face meeting and allow the north side to directly meet them. Now that 27 people came back home, the DPRK side proposed the south Korean side to have the inter-Korean Red Cross working contact to discuss and settle at an early date the issue of confirming the intentions of the four people through a face-to-face meeting and repatriating them at the conference room of the former Neutral Nations Supervisory Commission at Panmunjom at 10 a.m. on April 6." (KCNA, "RC Chief Proposes S. Korean Counterpart to Have Working Contact," March 30, 2011) The North Korean Red Cross has again proposed discussing the future of four North Koreans who accidentally drifted south of the border in a boat last month and then decided to defect to South Korea. Seoul's Unification Ministry said the South's Red Cross received a message from the North, suggesting that the two sides meet for working-level talks next Wednesday at the truce village of Panmunjom. (*Chosun Ilbo*, "N. Korea Calls for Discussions on 4 Defected Drifters," March 31, 2011)

North Korea is desperate to develop its northeastern port city of Rajin that abuts China and Russia as a major trade zone, beckoning foreign investors as Pyongyang struggles to resuscitate its moribund economy. In a report released on March 30, KCNA said the city of Rason, located at the northeastern tip of the socialist state, has adopted "a preferential tariff system" for foreign investors and traders. "Choe Kwang-nam, an official in charge of economic cooperation of the Rason City People's Committee, told the KCNA that the zone provides favorable business conditions to foreign investors through the preferential tariff system," it said. "Foreign investors and businesses are allowed to conduct diverse economic and trade activities and have a free choice of investment forms and business," it quoted Choe as saying. A day earlier, KCNA had boasted the city would "turn into a major entrepot, exports producer and financial and tourist zone of Northeast Asia," quoting another official, Hwang Chol-nam, who ensured the North would protect "foreigners' investment, legitimate income and rights" by law. North Korea designated Rason, the country's first free trade zone, as a "special city" in January last year. To do so, it merged two northeastern cities, Rajin and adjacent Sonbong. North Korea lowered corporate tax rates and simplified administrative procedures to help speed development and attract more foreign investment. In March last year, North Korea opened the Rajin port to China and allowed it to use one of its five docks for 10 years. Companies based in the Chinese city of Dalian have begun restoration work on the dock and will build large warehouses there, sources said. In recent years, the North has tried to reinvigorate the trade zone, signing an accord with Russia to restore railways that could help rejuvenate the port there. Russia invested 140 million euros (US\$202 million) in the Rason project in late 2008. The North is also believed to have reached an agreement with China to develop Rajin port, the largest in Rason, into an international logistics hub. In 2007, the allies drew up plans to build new roads there to connect the area with China's Hunchun.

Also, China's northeastern Jilin Province is seeking to extend its 10-year lease contract on the use of North Korea's Rajin port by another decade. The original contract was signed in 2008. China's Xinhua News Agency reported from Pyongyang on March 29 that the Rason economic and trade zone will become a major trade center in Northeast Asia. Quoting Hwang Chol-nam, vice chairman of the Rason City People's Committee, the Chinese news agency reported that Rason will also turn into an exports-producing zone, a financial hub and a popular tourist destination in the region. The northeastern city is a special economic zone involving preferential trade, investment, intermediary transport, finance, tourism and services, and "the DPRK (North Korea) government protects by law foreigners' investment, legitimate income and rights," he said. In its report on March 1, the KCNA said, "The DPRK encourages foreigners to make investments in the country on the principle of equality and reciprocity," and pledged to neither nationalize nor seize their invested properties, said an official of the DPRK Committee of Investment and Joint Ventures. In an interview with Xinhua News Agency, Ri Song-hyok, official of the Committee of Investment and Joint Ventures, said the DPRK law on foreign investment stipulates the principles and order for protecting the investment of foreigners and ensuring legitimate rights and interests of foreign-invested businesses. "The law gives a full detail of the requirements of the DPRK's investment policy, foreign investment forms and methods, investors' business conditions, investment sectors, incentive measures and preferential treatment in the Rason economic and trade zone," the official said. More recently, Chinese Ambassador to Pyongyang Liu Hongcai traveled to Rason and the nearby port city of Chongjin after a visit to the Chinese city of Yanbian in Jilin Province. Yanbian is a Korean-Chinese Autonomous Prefecture in Jilin Province. During his visit to the area in late March, the Chinese ambassador toured industrial facilities including piers and maritime processing plants and talked about economic cooperation when he met with North Korean officials in Rason and Chongjin. In January, a news report said that a Chinese state-run company agreed to invest US\$2 billion in the Rason free trade zone. Shangdi Guanqun Investment signed a 10-point memorandum of understanding with Pyongyang's investment and development group on December 20 in Beijing, according to documents obtained by the JoongAng Ilbo newspaper in Seoul. The goal of the investment, stated in the documents, is to build Rason into the "biggest industrial zone in Northeast Asia" in around 10 years. The project calls for coal-fired power plants, roads, piers and oil refineries in the North Hamgyong Province city, the documents said. According to the documents, the deal is "a strategic joint project based on trust between high-level figures" in China and North Korea, which suggests it may have been negotiated by North Korean leader Kim Jong-il during two visits to China last year, when he met Chinese President Hu Jintao. "We have a deep interest in North Korea's ample natural resources," an official of Shangdi Guanqun Investment told the JoongAng Ilbo. "To facilitate the export of natural resources from the region, we will invest \$300 million first and construct a coal-fired power plant at the coal mine and build a railway, roads, and harbors and piers near it." The official from the Chinese firm said the company opened an office in Pyongyang at the end of last December. Shangdi Guanqun Investment, established in 1995 by the Chinese government, is a trading firm that specializes in oil processing, natural resources and international financial services. It is one of the key companies in China's 12th five-year economic development plan that starts this year. North Korea's investment and development

group is in charge of developing the country's four free trade zones. The other special economic zones are in Kaesong, Mount Kumgang and Sinuiju. The Shangdi Guanqun Investment official said the company will build an oil refinery in Rason, where it plans to refine crude imported from the Middle East and Russia and sell the output to China or other countries. China shows great interest in the project as the port gives its three northeastern provinces easy access to the Pacific. The Chinese side plans to pave a 93-kilometer road linking Hunchun in its Jilin Province to the North Korean port. Analysts say that China will certainly speed up its exploration of North Korean mines to secure the stable supply of minerals with the help of the road and the port. The development of the port is also seen as part of China's effort to make inroads into the North and increase its economic clout there. (Yonhap, "N. Korea Concentrates on Development of Rason Free Trade Zone," *North Korea Newsletter*, No. 152, April 7, 2011)

3/31/11

DPRK National Defense Commission inspection group statement: "One year has passed since warship 'Cheonan' sank in the waters off Paekryong Island in the West Sea of Korea. But the south Korean authorities and military warmongers, hell-bent on the inter-Korean stand-off and steeped in distrust in compatriots, are still linking the warship 'Cheonan' sinking case with the DPRK and passing the buck for the Yonphyong Island shelling on it, escalating confrontation with it. The inspection group of the NDC of the DPRK has already opened to the public the truth of the two cases twice. At the outset of the occurrence of the 'Cheonan' warship sinking case, **the DPRK expressed regret at those who suffered the disaster from the viewpoint that they are members of the Korean nation though they were soldiers of the south Korean army who leveled guns at the DPRK.** Nevertheless, the south Korean authorities and military warmongers floated investigation results without any scientific ground and objective nature in a bid to deliberately lay obstacles in the way of achieving national reconciliation and unity and block the way of achieving peace and prosperity desired by all the fellow countrymen. They have become evermore sinister and brazenfaced in their reckless anti-DPRK confrontation rackets with the first anniversary of the occurrence of the case as a momentum, in particular, only to touch off burning resentment of all the Koreans. This situation compelled the inspection group of the NDC of the DPRK to re-clarify its principled stand internally and externally. 1. The south Korean authorities and military warmongers should no longer perpetrate such reckless act as linking the 'Cheonan' warship sinking case with the DPRK. Explicitly speaking once again, the DPRK has nothing to do with the case. This means something irrelevant to it can never be anything in which it is allegedly involved no matter how much water may flow under the bridge. Any attempt to deliberately link the DPRK with the case while shunning this stark reality would only serve as a living testimony that they are only seeking to escalate confrontation with fellow countrymen and deteriorate inter-Korean relations. **The south Korean side walked out of the venue of the preliminary contact for opening the north-south high-level military talks without any patience. But it falsified the fact, claiming that the north was the first to walk out of the venue.** They should stop such folly at an early date and no longer link the DPRK with the above-said case. The further they bedevil inter-Korean relations while spreading the 'story about the north's involvement' full of lies and fabrications, the deeper pitfall of history they will find themselves. The inspection group of the NDC will probe the truth about the 'farce' by issuing the third and fourth statements till the

above-said story has disappeared. 2. They should no longer work hard to pass the buck for the Yonphyong Island shelling on the DPRK. Explicitly speaking, the above-said **shelling incident was an unsavory case which occurred as they preempted a provocation against the DPRK.** Had they not preempted firing shells into the inviolable territorial waters of the DPRK, there would not have occurred the shelling on the island. Various forms of firing exercises and drills targeted against the DPRK have frequently taken place in the areas of south Korea and waters around it for more than six decades since the division of the country. But the army of the DPRK has not taken any physical counteraction against them even once. Any attempt to conceal the criminal preemptive shelling and shift the responsibility for it onto the other is an act of deceiving not only themselves but all the fellow countrymen and an anti-peace act little short of pulling the wool over the eyes of the whole world. **If they do not want to suffer the same disgrace as they did through the Yonphyong Island shelling incident,** they should broad-mindedly halt such shameless act as shifting their blame onto the other and have a proper attitude to settle the issue. Their oft-repeated talk about someone's responsibility for the Yonphyong Island shelling would only harden the DPRK's determination to protect the fair and aboveboard extension of the Military Demarcation Line in the West Sea. 3. The present south Korean authorities and military warmongers should stop the reckless anti-DPRK hysteria under the pretence of the two cases. They are resorting to anti-DPRK confrontation rackets and reckless psychological warfare, anxiously waiting for 'contingency' of someone to occur, and staging various forms of military exercises and drills, stoking a war atmosphere. But they should bear in mind that their much anticipated "contingency" is bound to take place in the south, not in the north. Their anti-DPRK confrontation hysteria kicked up by them under the pretexts of the two cases is as foolish an act as shaking fist in the back lane after being hit hard in a street. This is nothing but a thoughtless and traitorous action to calm down the distrust in the two cases shown by different circles of south Korea, settle the ever-growing "discord" in the south, adhere to the nonsensical 'theory of principle' in dealing with the inter-Korean relations and stick to the wrong hard-line policy towards the north. The inspection group of the National Defense Commission regards their anti-DPRK confrontation campaign being staged on the lapse of one year since the occurrence of the warship 'Cheonan' sinking case as no more than a farce of 'counting the age of a dead child.' **The DPRK wishes more ardently than anyone else to see the tension defused on the Korean Peninsula and achieve peace through the improved relations between the north and the south and this process leading to peace and prosperity of Northeast Asia and the rest of the world. Precisely for this reason the DPRK proposed on its own initiative comprehensive dialogue and negotiations and has made every possible effort of goodwill to put them into practice.** The reality indicates that **the nation is standing at the crossroads of detente and increased tension and peace and prosperity and war. It is the stand of the Korean People's Army to have bold dialogue or fight a real war. The present south Korean authorities and puppet military warmongers should properly understand that they are standing on the crossroads of dialogue and war.**" (KCNA, "NDC Inspection Group Spokesman Re-Clarifies Principled Stand of DPRK," March 31, 2011)

South Korea said it would allow a private group to send aid to North Korea, the first such approval since the North's deadly bombardment of a border island last November. The unification ministry, which must by law authorise cross-border contacts, said it has approved a request by the Eugene Bell Foundation, a US group which has a South Korean subsidiary, to send tuberculosis medicine to the North. The aid is worth 336 million won (\$305,177), a spokeswoman told AFP. (AFP, "S. Korea Approves Private Aid for N. Korea," March 31, 2011)

South Korean activists launched tens of thousands of anti-regime leaflets across the border into North Korea, defying threats from Pyongyang to open fire on launch sites. Members of Fighters for Free North Korea released gas-filled balloons which carried 200,000 leaflets containing news of Arab uprisings and calling for the overthrow of Kim Jong-Il's regime, the group leader said. The 10 helium-filled balloons also carried hundreds of DVDs, USB flash drives and one-dollar bills, said Park Sang-Hak, the leader of the group of North Korean defectors in the South. "We are not afraid of the North's threat and the village residents here have supported our activities for years," he told AFP, referring to Thursday's launch site at Gimpo on the western outskirts of Seoul. (AFP, "S. Korea Approves Private Aid for N. Korea," March 31, 2011) Park, a North Korean defector, said he selected Gimpo over more popular sites to avoid confrontation with civic groups that complain the launches exacerbate inter-Korean tensions. "We successfully sent the balloons early this morning containing leaflets, USB drives and 1,000 U.S. one-dollar bills," he said. Information on the popular uprisings in the Middle East was included. In the face of the threats some civic groups have publically denounced the launches, even physically blocking the activities. Early this week, activists attempting a launch clashed with residents in Cheorwon, Gangwon Province who feared the North would shoot at their community. "I understand the position of those groups," Park said. "But our mission is to let North Koreans know the truth. People shouldn't be afraid of the threats and should provide information to those in the North." The government previously discouraged the activities but stopped after the North's deadly sinking of the Cheonan warship last March. It says the activists are acting within their rights. (Kim Young-jin, "Activists Launch 200,000 Leaflets into N. Korea," *Korea Times*, March 31, 2011)

South Korea and other partners in six-party nuclear talks with North Korea are discussing the possibility of getting the U.N. nuclear agency to confirm the existence of Pyongyang's uranium enrichment program (UEP), diplomatic sources said. The idea is aimed at breaking through China's opposition to taking the issue to the U.N. Security Council, as Beijing has cited the lack of firsthand evidence that the North has the uranium enrichment facility as the reason for its refusal, the sources said. "The idea is that we conduct a joint investigation into the UEP," a diplomatic source said. "As China, in particular, has taken a position that it cannot recognize the UEP's existence because it did not confirm it by itself, this means we should carry out a joint investigation." The source also said that not only six-party partners like South Korea, the United States and China, but also an international organization like the International Atomic Energy Agency (IAEA) should take part in the investigation to make sure that its result is fair and neutral. But prospects for the move are not bright as Beijing is opposed to it as well, sources said. A senior government official said that related countries are thinking

about various ways to get the Security Council to speak with "one voice" on the uranium issue, but the idea of the IAEA's possible involvement "is not being discussed specifically." South Korea and the U.S. have been seeking to get the Security Council to adopt a presidential statement denouncing the uranium program in an effort to clearly define its illicit nature so as to prevent Pyongyang from claiming that the program is for peaceful purposes. Beijing, the last-remaining major ally of the North, is concerned that U.N. condemnation of Pyongyang could aggravate tensions and claims that the issue should be discussed at the six-party talks, involving the two Koreas, China, the U.S., Japan and Russia. Last week, Assistant Chinese Foreign Minister Hu Zhengyue told a group of visiting South Korean reporters that China and the U.S. "officially do not know of the program," insisting that all that is known about it so far is "what one expert saw from a distance." (Yonhap, "IAEA's Involvement under Consideration to Confirm N. Korea's Uranium Enrichment Program: Sources," March 31, 2011)

4/1/11

Until North Korea apologizes for its deadly attacks on the South, there will be no breakthrough in the frozen inter-Korean relations, President Lee Myung-bak said yesterday during a televised press conference. "The North must express its apology for what it has done," Lee said, noting that 46 sailors died in the Cheonan sinking, which an international panel blamed on the North, and that civilians and Marines were killed during the Yeonpyeong Island shelling. "Only then can we go to the next step. The North has committed wrongs against us, threatened us, attacked us and killed us, but now it wants to talk to us. That is why I think the offer lacks sincerity." In unusually candid words, Lee said he won't rush to meet with North Korean leader Kim Jong-il just because his time in office will end next year. "We want to end the wrong pattern of inter-Korean affairs from the past and reset it from the right place," Lee said. "Then we can talk. ... [The North] proposed to meet and then threatened to hit again if we declined. What is this about? Do we have to meet because we are fearful of an attack? I don't think so." Lee also said the reform of the military must continue to "spiritually arm" the soldiers as well as improve the "jointness" of the military in the aftermath of the North's attacks. Asking both retired and incumbent generals to abandon any selfishness, Lee said, "If the military fails to reform this time, there won't be any more opportunity." (Ser Myo-ja, "Lee Still Insists North Must Make Apology," *JoongAng Ilbo*, April 1, 2011)

South Korea approved additional humanitarian aid to North Korea after it granted such assistance by a civic group earlier this week for the first time since the North shelled a South Korean island last November, an official said. The latest shipment approved comes from the Korean Sharing Movement and includes 30 million won (US\$27,000) worth of bread, milk powder and candies for children in northeastern North Korea, Unification Ministry spokesman Chun Hae-sung said at a briefing. Yesterday, South Korea approved the first civilian aid to the North since the November artillery clash killed four South Koreans on the Yellow Sea island of Yeonpyeong. The approval of 336 million won worth of tuberculosis medicine from the Eugene Bell Foundation came amid a series of signs that tension may be lowering on the Korean Peninsula. (Yonhap, "S. Korea Approves Additional Humanitarian Aid to N. Korea," April 1, 2011)

A United Nations telecom agency recently urged North Korea to stop jamming GPS signals in South Korea, Seoul's foreign ministry said today, adding to international pressure on the communist state to stop its rogue behavior. The International Telecommunication Union (ITU) sent a letter to the North, urging the communist state to "remove the source of jamming and to work to resolve the situation," the ministry said in a press release. Both Koreas belong to the ITU, which bans countries from doing damage to electric waves of other nations. The letter is the latest in a series of moves by South Korea and the international community after Seoul accused Pyongyang of sending jamming signals across the border last month. Officials here said the jamming was an apparent attempt to disrupt annual military drills by South Korean and U.S. forces that were under way at the time. They said that minor errors had been detected in GPS-based mobile phones and some military equipment. Yesterday, the chief of the U.N. aviation safety agency met South Korean Foreign Minister Kim Sung-hwan in Seoul and pledged to work together to take necessary steps in the event that North Korea repeats the jamming. His agency, the International Civil Aviation Organization, also sent a similar letter to the North last month. (Yonhap, "U.N. Body Urges N. Korea to Stop Jamming GPS Signals: Ministry," April 1, 2011)

South Korea and the United States plan to hold their first joint exercise later this year to politically and militarily cope with nuclear threats posed by North Korea, a high-ranking official at Seoul's defense ministry said. The plan was endorsed at a meeting of the Extended Deterrence Policy Committee, which was held in Hawaii early this week, the official said. The allies launched the committee last December to enhance the effectiveness of deterrence against Pyongyang's nuclear weapons program and other weapons of mass destruction. "South Korea and the U.S. agreed to hold a table-top exercise in the second half of this year on deterrence measures to cope with North Korea's nuclear threats," the official said. "During the exercise, senior defense and foreign affairs officials from the two nations will discuss how to politically and militarily deal with North Korea's nuclear threats based on two or three scenarios," the official said.

After conducting two or three rounds of such exercises, South Korea and the U.S. will conduct joint research on which measures are appropriate to effectively deter the North's nuclear threats, according to the official. (Yonhap, "S. Korea, U.S. to Stage Joint Exercise against N. Korea's Nuclear Threats," April 1, 2011)

A North Korean economic delegation that has been visiting the U.S. since March 21 toured the Google headquarters in Mountain View, California. Google, with its massively successful search engines, is one of the leading U.S. IT companies. The 12-member delegation arrived at Google's headquarters at around 10 a.m. The 1-hour-40-minute tour was not open to media coverage. Afterwards the North Koreans moved on to Stanford University, which has a cooperative relationship with Google, and apparently attended a lunch seminar with staffers from other IT companies in Silicon Valley. (*Chosun Ilbo*, "N. Korean Group Inspects Google Headquarters," April 4, 2011)

Aleksandr Voronotsov, Director of the Department for Korean and Mongolian Studies at the Russian Academy of Sciences: "...The Russian perspective is that the tragedy of the Cheonan/and its 46 dead sailors was exaggerated and the incident was given full

play in the Western media. The Russian government expressed many questions and doubts about what it saw as the circumstantial evidence used by the official investigation into the cause of the sinking, which included a group of highly qualified Russian naval experts who were invited by South Korea to inspect the wreckage of the vessel. I have to say "circumstantial evidence" because the Russian government provided a report to the leaders of the concerned countries but did not publish the results for political reasons. However, the fundamental reason (along with many other factors, as always) for the serious crisis on the Korean peninsula during 2010 was the North Korean resistance to the US-ROK alliance. It was not new, of course, but it escalated to a new level of antagonism. Naturally, each of the parties saw different aspects of the crisis as causes of the escalation. That gives rise to a natural question: how can the situation be rectified? In recent months, the ROK President Lee Myung-bak has been repeating statements by US President George W. Bush between 2002 and 2003 almost word for word: "I will never again sit down at the negotiating table with the North Koreans because that would mean rewarding their bad behavior." Can the deadlock be resolved while holding positions like that? We do not think so. Many negotiations have been held between the DPRK and its opponents, with the nuclear problem being one of the issues discussed. Many of them ended in fiasco. But perhaps that justifies to some extent Lee Myung-bak's emotional statements immediately after the shelling of Yeonpyeong Island in which he indicated that negotiations with Pyongyang are useless on principle as nothing they have done seems to have had any effect. History demonstrates otherwise. There have been successful negotiations. In contrast to the NLL in the Yellow Sea, the DMZ was mutually discussed, was agreed to, and it is still recognized by the North. On the nuclear issue, which is of greater concern to us, the most successful period of strict international monitoring of North Korea's nuclear programs was the seven years that the Agreed Framework signed by the United States and the DPRK in October 1994 was in effect. The KEDO program, with all of the difficulties over the operation of the consortium, gave the world its first successful and rich experience of collaboration between the "irrational, maniacal and untrustworthy North Koreans" and a broad range of Western partners. Yes, North Korean representatives frequently walked out of the negotiations without fulfilling their obligations. However, an impartial analyst would be forced to admit that their Western partners just as often broke, failed to meet, and tried to repackage or reinterpret their own obligations. That claim is an objective, statistically demonstrable fact. Returning to North Korea's nuclear programs, the historical evidence again confirms that they were successfully subjected to international monitoring, freezing and even sometimes the reversal of the nuclear programs when North Korea was in negotiations with interested partners and under obligations that they had voluntarily accepted during negotiations with those they recognized as their equals. That was the case until very recently, during periods when the terms of the six-party negotiations in Beijing were successfully implemented. Of course, those were temporary and partial successes. But, in the first place, they made real progress, and, second, they were better than nothing, certainly better than the unlimited development of North Korea's nuclear capability, which is what we have now. Currently, Pyongyang legally considers itself free of all obligations. It immediately rejected the UN Security Council's well-known resolutions and international sanctions are not stopping it from moving forward in the nuclear arena. We are convinced that the plans to force Pyongyang to give up its nuclear programs

by squeezing it with sanctions, pressure, and increased isolation are ill-founded and simply do not work. It is when North Korea's leaders are feeling increased military threat from outside that they make the maximum effort to speed up work on strengthening their "nuclear shield" and they are prepared to sacrifice much for its sake, including limiting economic freedom and reforms (in the North Korean understanding of those concepts, of course). This conclusion is supported by the entire historical period we have observed throughout the development of the situation on the Korean peninsula. We have concluded that the only real, workable method to first halt, then try gradually to limit, and, in the long run, eliminate North Korea's nuclear programs and capability is for the main players to enter substantive negotiations on the issues with it as soon as possible. And while we closely monitor Pyongyang's fulfillment of its obligations, we should not fail to meet our own. The six-party talk mechanism in Beijing is a perfectly workable tool that has provided a store of solid useful experience. Therefore, it would be extremely desirable to start the talks as soon as possible. However, it naturally would be impossible to exclude the emergence of other international structures to deal with similar problems in the future. As a final conclusion, we would like to recall a truth that is well known in the non-proliferation community: advancing non-proliferation and regime change policies in partner countries are absolutely incompatible. Anywhere attempts at regime change are staged successful non-proliferation efforts come to an immediate halt." (Aleksandr Vorontsov, "The Russian Perspective on the Korean Peninsula in 2010 and Implications for the Future," NAPSnet, April 1, 2011)

4/3/11 Facing ongoing international isolation and experiencing a wobbly power transfer from its ailing leader to his young son, North Korea is escalating efforts to secure food assistance for its starving people, philanthropic groups in and out of the country said. A North Korean official recently said many of its people will "starve to death" if they don't receive food aid soon, an official at a charity group in Seoul said. "We often discuss food issues with the North, but they seem much more desperate recently," the unnamed official said, adding North Korea will be spending the "hardest spring ever" without outside donations. Another report over the weekend said North Korea's parliamentary speaker appealed for food aid from Britain, emphasizing "an acute food shortage" his country is currently suffering from. Choe Tae-bok, chairman of Pyongyang's Supreme People's Assembly, made the comments while visiting London from March 28-31, U.S.-funded Voice of America reported, quoting a British lawmaker. The upcoming two months "would be the harshest time for North Koreans" in getting enough to eat, Choe was quoted as saying. The U.S. suspended sending food to Pyongyang in 2009, shortly after the communist state conducted a second nuclear test. "Not yet," Mark Toner, State Department deputy spokesman, said when reporters in Washington asked if the U.S. has plans to send officials to assess the food situation there. "(And) our review on the food situation is ongoing, but nothing else than that." (Shin Hae-in, "North Korea Desperate for Food Aid," *Korea Herald*, April 4, 2011)

4/4/11 North Korea has executed a former cabinet minister in charge of railways over the deadly explosion of a train station near the border with China in 2004, an official in Seoul said. The government official confirmed the execution of former Railways

Minister Kim Yong-sam, noting it was apparently related to the explosion of Ryongchon Station in the North's rural northwestern area. Kim Yong-sam, who had been in charge of railway affairs since 1998, last appeared in a report by the North's official Korean Central News Agency in 2008. The news of the former railway chief's execution came more than a year after North Korea reportedly executed Pak Nam-gi, former chief of the planning and finance department of the ruling Workers' Party, over Pyongyang's botched currency reform in 2009 that caused massive inflation and worsened food shortages. Sources in South Korea said there is also a possibility that former Finance Minister Mun Il-bong was executed over the failed currency reform. (Yonhap, "Former N.K. Rail Chief Executed over 2004 Train Station Blast: Official," April 4, 2011)

Former U.S. President Jimmy Carter will make his private trip to North Korea April 26-28, a source here said, in another sign of easing tension between Washington and Pyongyang. (Yonhap, "Carter to Visit N. Korea in Final Week of April: Source," April 4, 2011) Carter will be accompanied by as many as three former heads of state on his visit to North Korea slated for April 26-28, a diplomatic source in Seoul said. Former Finnish President Martti Ahtisaari will join Carter's delegation to North Korea, said the source, noting that the group has already been known to include former Irish President Mary Robinson and former Norwegian Prime Minister Gro Harlem Brundtland. (Yonhap, "Carter to Travel to N. Korea with Three Former Heads of State: Source," April 10, 2011)

4/5/11

The South Korean Ministry of Unification said yesterday it is turning down requests made by 14 South Korean relief groups to contact North Korea. According to the ministry, the groups had planned to meet with North Korean authorities in Shenyang, China, from April 7-10 to discuss aid to the North. "Considering the current situation between South and North Korea we feel it is inappropriate for so many of these groups to meet with one particular North Korean organ," a Unification Ministry official said yesterday. The decision to turn down the groups' requests is in line with the policy announced by President Lee Myung-bak last May 24 in response to the Cheonan sinking two months prior. The Lee administration's hard-line stance toward the North Korea, including the difficult choice it had to make to restart aid for infants and toddlers, has not been without reason. Intelligence reports to government bureaus, including the Ministry of Unification, indicated that a large number of tangerines from Jeju Island had been siphoned off as presents from North Korean leader Kim Jong-il to high-ranking North Korean officials. The fruit had originally been sent to provide North Korean children with vitamin C. Intelligence authorities also confirmed that rice, medicine and powdered milk sent to the North had been taken by the North Korean military or sold by North Korean party and military officials. "Tangerines are the most prized of the goods sent as aid," said one source familiar with North Korean affairs. "It has been made known through defectors and intelligence sources that [tangerines] were handed out as gifts to urge loyalty from high-ranking officials to Kim Jong-il from 2000, when Jeju tangerine aid really kicked off. This fact was reported to the Blue House and related government bureaus during this administration. It was also the reason why Unification Minister Hyun In-taek, who is from Jeju, turned down requests from the Jeju regional government for funding for North Korean aid tangerines," the

source added. Jeju's tangerine aid to the North, which began in January 1999, amounted to 48,328 tons until November 2009. With an additional 18,100 tons of carrots on top of that, 23 billion won (\$21 million) was used to send the aid. The Kim Dae-jung and Roh Moo-hyun administrations had supported the aid from the government's inter-Korean cooperation fund. The current administration, however, rejected a request for 2 billion won in aid transportation costs in December 2008. North Korea said in 2007 that the fruit had been delivered to a kindergarten in Pyongyang, but it was found to be a child-care center for the children of high-ranking government officials. The North Korean source also said the carrots were made into juice for children of North Korean officials. The same goes for rice and medicine sent in large amounts since the first inter-Korean summit in 2000. According to a North Korean defectors' testimony obtained by *JoongAng Ilbo*, the defector, surnamed Lim, said that sacks of rice from South Korea labeled with red crosses were covered with North Korean sacks and sent to military bases in military trucks disguised as civilian vehicles. Another defector who had been in the North Korean military said that medicine for civilians was sent to military hospitals. (Lee Young-jong and Christine Kim, "South Rejects Aid for North," *JoongAng Ilbo*, April 5, 2011)

North Korea remains adamant that it could "never accept" South Korea's demand for an apology for last year's deadly torpedo attack on a South Korean naval ship, although Pyongyang is eager for dialogue, Park Han-shik, a Korean professor at the University of Georgia, said after a trip to the communist nation. North Korea's position is that it will never offer an apology, even after a century or millennium passes, Park told Yonhap News Agency by phone. "(The North) showed the stance that it could never accept the South's demands for an apology for the Cheonan issue as a precondition for dialogue," he added. Park visited the reclusive North from March 29 till April 5. "North Korean figures seemed to think that if Libya had maintained a nuclear development policy, the U.S. could have not attacked," Park said. "I got the impression that (North Koreans) think it is wise to keep their nuclear development policy." He said, however, the North "strongly" expressed hope for talks with the U.S. and South Korea. (Yonhap, "N. Korea Unlikely to Apologize for Torpedo Attack: Scholar," April 6, 2011)

4/7/11

North Korea's top nuclear envoy, by First Vice Foreign Minister Kim Gye-gwan, traveled to China, a source in Beijing said. (Yonhap, "N. Korea's Top Nuclear Envoy in Beijing: Source," April 7, 2011)

Samore: **ACT:** Turning to North Korea, recently Mr. Donilon said that, in order for the six-party talks [involving China, Japan, North Korea, Russia, South Korea, and the United States] to resume, "North Korea first needs to engage with the South and address issues surrounding its military provocation and then take significant and irreversible steps toward the goal of denuclearization. Those steps must include monitored suspension of their newly declared uranium-enrichment program." What steps can the United States and its partners in the region take to achieve these objectives, and what risk is there, in the meantime, that North Korea might continue to build on its nuclear and missile capabilities? **Samore:** Very much like the case of Iran, we have applied pressures to North Korea, both in the form of UN Security Council

resolutions and in actions we and our allies, especially South Korea and Japan, have taken to try to persuade North Korea to take the steps we consider necessary to resume a diplomatic process. I think we've begun to see the North Koreans, at least right now, looking for a way to resume the six-party talks. We'll continue to do that, and as Tom Donilon said, for us it's very important that we not go back to the old way of doing business where the North Koreans get benefits in return for just talking. What we want to see are concrete actions. As Tom said, getting the North Koreans to suspend their enrichment program is an important step. ... **ACT:** The part about the president's four-year goal—can you address that? Where do things stand? What are the challenges in order to complete that particular goal of the president? **Samore:** We, of course, still have a ways to go before we've reached our four-year mark. I think there will be cases where we don't have access [to] or even knowledge of nuclear material, for example, nuclear material in North Korea. We don't have a cooperative relationship with the North Koreans, so we won't be able to say from our own knowledge that that nuclear material has been secured. I think it probably has been, but I have no way to make that judgment. In some cases, we can have direct access, work directly with countries on-site, either to secure, remove, or eliminate nuclear material. In other cases, we won't have direct access. That's why we're trying to work through these indirect mechanisms, like centers of excellence, where we think we can help countries to establish a good security culture and training and equipment and so forth, and then strengthen the international elements, whether it's the UN or the IAEA or the different conventions. At the end of the four-year period, I can't tell you exactly where we'll be, but the Seoul summit is sort of coming up on the halfway mark, and we've already been able to show very substantial progress." (*Arms Control Today*, "Pursuing the Prague Agenda: An Interview with White House Coordinator Gary Samore, Interviewed by Peter Crail, Daniel Horner, and Daryl G. Kimball, May 2011, 8-14)

North Korea's parliament ended a closely monitored session Thursday without promoting ailing leader Kim Jong-il's heir-apparent son to another top post. There had been speculation that the 69-year-old leader could appoint his third son, Kim Jong-un, as a member of the powerful National Defense Commission in today's session to bolster another hereditary power succession. KCNA did not say a word about Kim Jong-un in its several dispatches on the parliamentary session. Instead, KCNA said the rubber-stamp legislature named Ri Myong-su as minister of People's Security, which had been vacant. It also appointed Pak To-chun as a new member of the defense commission, replacing Jon Pyong-ho, who was transferred to other unspecified post. Jon had been deeply involved in the defense affairs. South Korean officials said Kim Jong-un not being promoted to the defense commission indicated leader Kim Jong-il's health condition is not poor. They also said the internal situation is not right for Kim to promote his son, citing the North's recent food appeals to foreign countries. It means Kim's health "is not in an urgent state," a Unification Ministry official spoke on condition of anonymity, citing office policy. Kim Yong-hyun, a North Korea expert at Dongguk University in Seoul, said that Kim Jong-un not being promoted doesn't mean there is any problem in the power transfer, but it could be aimed at paving the way for stable power transition. "The North appears to moderate its pace in handing over the power," Kim said, noting leader Kim Jong-il is still in charge. (Yonhap, "N. Korea Ends Parliamentary Session without Promoting Leader's Son," *Korea Herald*, April 8, 2011)

4/8/11

A senior South Korean official downplayed the level of progress made in the construction of a purported light-water reactor at North Korea's main nuclear complex after a satellite image suggested the communist state might be building another reactor. "It doesn't seem that another light-water reactor is being built," the government official said in a meeting with reporters, asking not to be named as his comments were of intelligence nature. The satellite image, taken March 24 and disclosed by South Korea's state broadcaster KBS on Thursday night, showed a fresh construction site near what appeared to be an up to 40-meter-tall structure that the North claims is a lighter-water nuclear reactor. The structure was only about a meter high when the North unveiled it to Stanford professor Siegfried Hecker last November.

Commenting on the satellite image of the Yongbyon nuclear complex, the South Korean official said progress made in the construction of the purported reactor is not significant enough to warrant alarm, calling it "not really a big deal." "In terms of quality, there doesn't seem to be much progress," the official said, adding the nearby site where a separate construction project appears under way could be used to accommodate an auxiliary facility such as a steam generator. "But there do appear to be two turbine generators (in total) used to power the light-water reactor," the official said. His comments come as senior U.S. and North Korean diplomats are in Beijing in what the U.S. State Department described as a coincidence despite looming speculation that the sides may be trying to lay the ground for the resumption of nuclear talks on the North. (Yonhap, "Progress at N. Korea's Nuclear Complex 'No Big Deal': Official," April 8, 2011)

Apparently growing impatient with South Korea's lukewarm response to its dialogue offer, North Korea announced Friday that it could terminate an exclusive contract with a South Korean conglomerate for tourism at Mount Kumgang, a resort along its east coast. In a statement carried by KCNA, the Asia Pacific Peace Committee said, "There is no more prospect of resuming the tour of Mount Kumgang." Referring to Hyundai Asan, the South Korean operator of Mount Kumgang tourism program, it said, "In this regard it informed the Hyundai side of its stand that it may terminate the validity of the provision of the agreement on tour of Mount Kumgang signed with the Hyundai side which calls for granting it monopoly over the tour." The statement also added Hyundai could continue conducting tours for South Koreans but that Pyongyang "may" take charge of tours to Mount Kumgang and elsewhere for North Koreans and also entrust an overseas business professional with such tours. It said a "state measure will be taken soon to renew the tour of Mount Kumgang." (Yonhap, "N. Korea Threatens to Revoke Exclusive License with Hyundai on Mount Kumgang," April 9, 2011) On April 10 North Korea ended a long-standing agreement that gave South Korea's Hyundai Asan the sole rights to operate package tours to Mt. Kumgang. The tours have long been suspended, but Hyundai Asan has put a significant amount of money into accommodation and other infrastructure in the scenic resort. In a statement on tonight, the North's Asia-Pacific Peace Committee said, "We're invalidating the clause on the exclusive right given to Hyundai in the agreement on Mt. Kumgang tourism that we concluded with the company." It said Hyundai Asan may continue to operate tours from the South Korean side, but the committee "will take care of the tours arranged through the North Korean side." A Hyundai Asan spokesman said the following day

North Korea should withdraw the decision "since no terms of the agreement can be canceled or invalidated unilaterally by either side." (*Chosun Ilbo*, "N. Korea Ends Mt. Kuumgang Agreement with Hyundai Asan," April 11, 2011)

Jeffrey A. Bader, President Obama's top China adviser, is leaving the White House, senior officials said. James B. Steinberg, a deputy secretary of state who focused heavily on China, has announced plans to take a job as dean of the Maxwell School at Syracuse University and will be replaced by William Burns. The ambassador to China, Jon M. Huntsman Jr., will step down at the end of April to explore a bid for the Republican presidential nomination. Taken together, the departures could alter the tone of the administration's approach to China, one of its most vital but difficult relationships. Bader will be replaced at the National Security Council by his deputy, Daniel R. Russel, a Japan expert. Steinberg's exit raises the profile of Kurt M. Campbell, the assistant secretary for East Asian affairs, who has also worked intensively on Japan. (Mark Landler, "Shake-Up Could Affect Tone of U.S. China Policy," *New York Times*, April 8, 2011)

4/10/11 Park Joo-sun of the main opposition Democratic Party told Yonhap the United States is hoping to create the right conditions for dialogue with North Korea within "one or two months," citing a conversation he had with U.S. Ambassador Kathleen Stephens last week. Park, who heads a parliamentary committee on inter-Korean relations, quoted Stephens as saying Washington had made various efforts to maintain contact with Pyongyang in a bid to pave the way for "sincere talks." (Kim Young-jin, "U.S. Hoping for Sincere N. Korea Talks within Months," *Korea Times*, April 11, 2011)

Incumbent Tokyo Gov. Ishihara Shintaro comfortably beat 10 rivals to be reelected for a fourth four-year term. Ishihara, a 78-year-old novelist-turned-politician, defeated high-profile challengers including former House of Councillors member Akira Koike; Miki Watanabe, founder of izakaya pub chain operator Watami Co.; and former Miyazaki Gov. Hideo Higashikokubaru. Ishihara ran as an independent but was effectively supported by the Liberal Democratic Party and New Komeito. The Democratic Party of Japan did not field a candidate due to recent poor public approval ratings for Prime Minister Naoto Kan, who is DPJ president. Watanabe, 51, was backed by Tokyo Metropolitan Assembly members of the DPJ. In the 11 other gubernatorial races, all eight incumbents seeking reelection won. Local elections represented a major setback for the DPJ, as it lost all the gubernatorial elections--for Tokyo, Hokkaido and Mie Prefecture--in which it squared off with the main opposition LDP. (Yomiuri Shimbun, "Ishihara Easily Wins Reelection; Tokyo Governor Takes 4th Term; DPJ Suffers Setback in Local Polls," April 11, 2011)

4/11/11 A chief nuclear negotiator from China has proposed a three-step approach to resume stalled talks to end North Korea's nuclear weapons program. Under the proposal, South-North Korea dialogue will be held before the North holds talks with the United States, and this will be followed by the restarting of the six-party talks. Seoul remained cautious about the proposal made by Wu Dawei, refraining from issuing an official position on the development. The Ministry of Foreign Affairs and Trade said it was not in a position to comment on the proposal as China has not officially informed South

Korea of it. But they called the new approach "progress" because it included what South Korea has long called for. That is, South-North Korea dialogue to be held before the resumption of the talks. The reaction from Seoul came a day after Wu, Chinese special representative for Korean Peninsula affairs, made the proposal. The Chinese nuclear envoy unveiled the approach after holding talks with Kim Kye-gwan, first vice foreign minister of North Korea. Kim arrived in Beijing last Thursday to meet senior Chinese officials. As the fresh proposal included South-North Korea talks before the resumption of the nuclear talks, all eyes are on Seoul's response. Will it accept the proposal? Before leaving Seoul for Washington at the airport, Wi Sung-lac, South Korea's chief nuclear negotiator, said that the South's voice was partly heard in the Chinese official's proposal. But he warned of misinterpreting the role of South-North contacts in achieving a nuclear-free North Korea. The inter-Korean talks should not be misunderstood as an easy test that North Korea can pass without showing its sincerity for denuclearization, he noted. Wi stressed that North Korea and China must understand that major progress for denuclearization should be made at the South-North Korea talks. Another foreign ministry official said that Seoul is not interested in talks for the sake of talking, adding there are several measures that Pyongyang need to take before resuming dialogue. Asked to clarify if those measures are for the inter-Korean talks or the resumption of the six-party talks, the official declined to comment on this. Meanwhile, Wi headed to the United States for meetings with U.S. officials. His departure coincided with the Chinese official's proposal on the resumption of the nuclear talks. He declined to give a direct answer to the question of whether his U.S. trip is related to the Chinese official's three-step approach, saying it was part of policy coordination between Seoul and Washington. U.S. Secretary of State Hillary Clinton's Seoul trip comes April 16. North Korea is expected to be a major agenda item at her meetings with Seoul officials. (Kang Kyung-hyung, "Will 3-Step Approach Open Door for Dialogue over N.K. Nukes?" *Korea Times*, April 12, 2011)

South Korea's chief nuclear envoy, Wi Sung-lac, will visit Washington starting today to coordinate efforts for ending North Korea's nuclear weapons programs and responding to apparent food shortages in the impoverished nation, the foreign ministry said. He plans to discuss the next steps in dealing with North Korea's nuclear issue through talks with Stephen Bosworth, U.S. special representative for North Korea policy, and Sung Kim, special envoy for the six-party talks, a ministry official said. Wi's three-day trip may also include meetings with White House officials, the official added. (Yonhap, "Seoul's Nuclear Envoy to Visit U.S. for N. Korea Talks," April 11, 2011)

China and the US have been secretly sharing intelligence about North Korea. Leaked records of highly sensitive US-China defense consultations reveal that despite Chinese complaints about US arms sales to Taiwan, and American concerns about a growing Chinese espionage threat, the CIA, the Office of the Director of National Intelligence and the US Defense Department have held secret talks on North Korea with Chinese military intelligence. According to US diplomatic cables obtained by WikiLeaks and provided exclusively to the *Herald*, US-Chinese defense talks held in Beijing in July 2009 included long exchanges about North Korea between the US Under Secretary of Defense for Policy, Michele Flournoy, and top Chinese generals. The director of the

People's Liberation Army Intelligence Department, Major-General Yang Hui, referred to the "close co-operation" with the US on "matters of intelligence" concerning North Korea and cited a visit by his department to exchange information with the CIA. Speaking after North Korea's second nuclear test in May 2009, he said: "North Korea is in an 'inferior position' to South Korea based on all measurements of national strength." He said domestic political considerations had a significant role in Pyongyang's decision to conduct a second test. "North Korea had seen 10 years of economic stagnation with only 1 per cent growth in the economy per year, and the 'satellite launch' and nuclear test were designed to give 'coherence and stability' to the country." Ms Flournoy said there would be serious consequences if North Korea increased its nuclear and missile capabilities. "Either North Korea would take irreversible steps to denuclearize, or all concerned would find themselves going down a road no one wants to travel," she said. "Further improvements in North Korea's nuclear and missile capabilities would cause neighboring countries to take necessary steps to protect their security." Other US diplomatic cables WikiLeaks released last year suggest senior Chinese political figures were increasingly prepared to accept Korean unification and were privately distancing themselves from North Korea. The Vice-Minister for Foreign Affairs, He Yafei, reportedly told a US diplomat Pyongyang was behaving like a spoilt child to get Washington's attention with a ballistic missile test in April 2009. In February last year South Korea's then vice-foreign minister Chun Yung-woo told US diplomats that younger Chinese Communist Party leaders no longer regarded North Korea as a useful or reliable ally, and would be reluctant to intervene militarily if the regime collapsed. Beijing was increasingly "ready to 'face the new reality' that [North Korea] now had little value to China as a buffer state." (Philip Dorling, "China and U.S. Gang up on N. Korea," *Sydney Morning Herald*, April 11, 2011)

KCNA: "The Democratic People's Republic of Korea will always live up to its commitment before the international community **as a responsible nuclear weapons state**, said the DPRK delegate when speaking at a meeting of the United Nations Disarmament Commission on April 4. He said that the international community has made every possible effort for nuclear disarmament for decades but **the total dismantlement of nuclear weapons** aspired after by human beings still remains an outstanding task. If the U.S. and other biggest nuclear weapons states take the lead in the nuclear disarmament it will have positive impact on those countries which had access to nukes recently, he said, adding that this will also help realize a world without nuclear weapons. Citing facts to prove that the U.S. has steadily posed nuclear threats to the DPRK up to now since 1950, he stressed that the nuclear threat is not an abstract concept but a real threat to the Korean people. The U.S. is to blame for the nuclear issue on the Korean Peninsula because it posed nuclear threat to the DPRK over half a century after introducing nuclear weapons to south Korea, he said. The structure of the nuclear confrontation in the peninsula represents the one of confrontation between the DPRK and the U.S., he stressed. It is the consistent stand of the DPRK government to ensure peace and security and materialize the denuclearization of the peninsula through dialogue and negotiations, he concluded." (KCNA, "DPRK Delegate on Denuclearization of Korean Peninsula," April 11, 2011)

4/12/11

South Korea is willing to hold bilateral talks with North Korea in a preliminary move to resume the six-party talks on the North's denuclearization, South Korea's state-run KBS reported. A senior official at the presidential office told KBS by phone that South Korea would accept a North Korean offer for talks between the two sides' chief nuclear envoys, if it were made formally. The comment comes after China's nuclear negotiator Wu Dawei met April 11 with his North Korean counterpart Kim Kye Gwan in Beijing and then revealed to reporters his government's step-by-step plan to resume the stalled nuclear disarmament talks. (Kyodo, "S. Korea Agreeable to Nuclear Envoys' Talks with N. Korea: Report," April 12, 2011) North Korea should not be afraid to bring up its nuclear arms programs if it wants to hold a dialogue with South Korea that would pave the way for restarting six-party talks designed to compensate the North for denuclearization, South Korean foreign ministry spokesperson Cho Byung-jae said in a briefing in Seoul one day after Chinese nuclear envoy Wu Dawei reportedly proposed a step-by-step plan that includes a meeting of chief delegates of the two Koreas in the first stage. Cho said he had yet to confirm the reported proposal that came after Wu met with his North Korean counterpart Kim Kye-gwan. But he said it would be "encouraging" if the North would agree to hold inter-Korean talks toward the cause of denuclearization. "For the six-party talks to succeed, the North should first come out with the sincerity to resolve the problem through dialogue," Cho said. The six-party negotiations, involving the two Koreas, the U.S., Russia, Japan and China, have been stalled since 2008. "Talks for the sake of talks will mean nothing," Cho said, adding his side remains open to dialogue as long as the North is ready to consider the South a genuine partner in denuclearization talks. (Yonhap, "S. Korea Presses N. Korea for Bilateral Talks on Nukes," April 12, 2011)

President Lee Myung-bak said the fall of autocratic regimes in the Middle East struck him to recognize that nobody can stop calls for change, apparently suggesting the possibility of such a pro-democracy uprising sweeping the communist regime in North Korea. "Watching the collapse of regimes that had appeared unshakable ... I came to believe that no one can block moves of change," Lee said at a meeting with members of the association of retired legislators. "I wouldn't go any further, but I've come to think that we have to harden our determination anew and strengthen national defense." On relations with North Korea, Lee said he will continue to get inter-Korean relations "on a normal track." "Some people say I am too tough on South-North relations, but I think that everything can be achieved after getting inter-Korean relations on a normal track," he said. Lee also said that such efforts have made the North show more respect for the South. During his early days in office, Lee said that the North used to send a meeting proposal without specifying who would attend and why it wanted to meet. The president added that such an attitude was unacceptable for him in consideration of South Korea's stature, in addition to other factors. The remark was seen as a critique that previous administrations pampered the North too much. "Now, (the North) sends a message saying it wants to meet to discuss these agenda items at what time and on what date and it wants us to cooperate. A lot has changed," he said. (Yonhap, "Lee Suggest Middle Eastern-Style Revolution Possible in N. Korea," April 12, 2011)

South and North Korea resumed their expert-led talks on the risk of a potential volcanic eruption at a mountain sitting on the North's border with China, officials said. The same group of four South Korean experts traveled to the western North Korean border town of Kaesong for discussions on concrete ways to deal with volcanic threats at Mount Paektu. Before departing for Kaesong, Yoon Yong-geun, a geologist leading the South Korean delegation, expressed hope in a meeting with reporters that the upcoming discussions would lead to "a deeper understanding" of volcanic activities at the mountain as the first meeting had only confirmed the need for such joint research. (Yonhap, "Experts from Koreas Resume Volcano Talks," April 12, 2011) South and North Korea have agreed to conduct a joint inspection of Mt. Paektu in the North in June, after holding an expert-level forum next month on its potential volcanic activity, the Ministry of Unification said. The forum will be held in Pyongyang or another "convenient location," the ministry said in a statement. Details of the joint activities will be worked out in follow-up consultations. The agreement was made during the second round of talks between geologists from both sides held at the North Korean town of Kaesong to discuss ways to deal with any eruption of Mt. Paektu. "This is a positive signal that North Korea may be ready to talk with sincerity," said Yoo Ho-yeol, a North Korea expert at Korea University. (Kim Young-jin, "Koreas Agree to Jointly Inspect Mt. Paektu in June," *Korea Times*, April 12, 2011) KCNA: "The second inter-Korean working contact for the joint research into the volcano on Mt. Paektu was held in Kaesong on April 12. At the contact the north side stressed again that the working contact was aimed at discussing technical issues of pushing forward the joint researches into the volcano on Mt. Paektu and put forth a proposal concerning the timing and venue of an academic symposium on the joint research and a field study and their scope and modality and contents, etc. It proposed adopting an agreement on them. The south side talked about "mode of access", "principle" and "a phased plan", while acknowledging the necessity of the joint researches into the volcano on Mt. Paektu. It made an absurd assertion that six months are required for a preliminary study and more than two years for a full-dress study and it is necessary, therefore, to hold an academic symposium at the next phase. It repeatedly insisted that the north side should pass data on the indications of the volcano on Mt. Paektu on it, to begin with. After making a serious note of the unreasonable attitude on the part of the south side, the north side explained that if the proposed symposium and field study are put into practice, the exchange of data would automatically take place. It repeatedly urged the south side to accept the draft agreement. Nevertheless, the south side wasted a lot of time, groundlessly insisting that the data on the indications of the volcano on Mt. Paektu be handed over to it, first of all. Then it came out with what it called a "MOU" making a long explanation about "mode of access," "principle" and "a phased plan" without any binding force, deliberately throwing a hurdle in the way of discussion. Finding its far-fetched assertion no longer workable and it was held accountable for the breakdown of the contact, the south side walked out of the venue of the contact. It wasted a total of four hours till it received an instruction from the Seoul authorities. Finally it was compelled to sign the draft agreement put forth by the north side." (KCNA, "Working Contact for Joint Research into Volcano on Mt. Paektu Held," April 12, 2011) On April 13 North Korea accused Seoul of blocking efforts to jointly address potential volcanic activity at Mt. Paektu in the North, casting doubt on a new agreement to cooperate on the

matter. Geologists from the sides agreed to conduct a joint inspection of the site in June, after holding an expert-level forum next month. But the fate of the joint activities appears to hinge on whether the North will agree to provide background research information to the South. "We accepted the agreement, but the practice of it will depend on South Korea's actions," a report carried by the official Korean Central Television said. "The South's side insists that we should provide information about the volcano, delaying the joint research activity." After the talks, experts from the South's side said the North agreed to provide research documents before the forum, which were likely to be held in Pyongyang. "The government will provide necessary support and cooperation so that the agreements can be pursued substantially," said Lee Jong-joo, deputy spokeswoman at the Ministry of Unification. "But it is improper for the North to unilaterally announce statements underestimating the agreements (reached April 12)." (Kim Young-jin, "N.K. Accuses Seoul of Blocking Volcano Cooperation," *Korea Times*, April 13, 2011)

The number of mobile phone users in North Korea has increased to 450,000, up 50 percent from the figure released late last year by an Egyptian company operating in the reclusive nation, South Korean officials said. In a speech to a group of businessmen in Seoul, Vice Unification Minister Um Jong-sik said the increase indicates more and more ordinary North Koreans, particularly youths, are enjoying mobile communications within the boundaries of isolation set by the regime. "This tells us that the range of people taking advantage of mobile communications is diversifying after being limited to only power elites," Um said. A ministry official, who had provided the data, explained later by phone that Um was citing a February 2 report by *Chosun Sinbo*. The official said he was not in a position to be identified in the media. The paper, seen as aligned with Pyongyang, reported the figure as part of a story covering the late January meeting between North Korean leader Kim Jong-il and Naguib Sawiris, chairman of Cairo-based Orascom Telecom Holding that has provided service in a joint venture with the North since 2008, the official said. Orascom said in an earnings report in November that the number of subscribers in North Korea had more than quadrupled in just a year, reaching 301,199 as of September. (Yonhap, "Number of Mobile Phone Users Tops 450,000 in N. Korea: Officials," April 12, 2011)

4/14/11

North Korea confirmed that it is preparing to indict an American who was reportedly arrested for proselytizing. Jun Young Su has been held since November last year, the North's official Korean Central News Agency said. The report did not state what crime he was accused of, but South Korean media have reported an American was detained for spreading Christianity. He is the latest U.S. citizen to be detained in the reclusive communist state in recent years. North Korea informed Washington of the detention and Jun has been given access to Swedish Embassy officials in Pyongyang, the news agency said. Earlier this week, the U.S. State Department called for North Korea to release one of its citizens and said Swedish officials had visited the American. But it gave no further details. (Associated Press, "North Korea Says It Has Detained a U.S. Citizen for Unspecified Crime, Prepares to Indict Him," April 14, 2011) KCNA said that the American, named Jun Young-su, was arrested in November last year and has since been investigated by officials for committing a crime against the North after entering the country. "He admitted his crime in the course of the investigation." KCNA also said

"the relevant organ is making arrangements to indict him according to the confirmation of the charges brought against him." (Yonhap, "N. Korea Says U.S. Citizen Held since November to Be Indicted," *Korea Herald*, April 14, 2011)

Abramowitz: "The South Korean government should stop blocking American food aid to large numbers of their brethren in the North facing starvation. The Obama administration has worked hard to strengthen its relationship with our ally South Korea and claims today's partnership is the best both nations have ever had. That is probably true, achieved by following Seoul's lead on major issues, particularly the reversal after ten years of the "Sunshine Policy" toward North Korea, which saw massive South Korean aid to the North with little success in transforming that floundering state. It is one thing for Washington to join Seoul in isolating the Kim regime. It is another for the U.S. to follow Seoul's lead in denying food aid to millions of North Koreans. This will lead to deaths or severe malnutrition, diseases, and stunted growth, a malady which is likely to affect even the lower ranks of the DPRK military. It is a price too high for any American government to pay. ...In February, a group of American NGOs with long experience in North Korea made an assessment of a number of provinces that attested to dire want. In March, the World Food Program (WFP) made a nation-wide assessment that concluded that some six million may be at serious risk, although some question their estimates. Timing, however, has become critical; food aid must start arriving by June to avoid major problems. Starting now will already be late, since it takes aid groups an estimated two months to ensure delivery from the United States. A month ago, when asked why the U.S. had not acted to assist North Koreans, State Department officials claimed they were waiting for the WFP assessment. Now, despite these two sets of expert findings, Washington is apparently considering sending out another team to determine the severity of the situation and North Korean intent. Hopefully, this is an effort to persuade the South to relent or to head off attacks from those in Washington who oppose any support to the North. The wait might also relate to the monitoring of deliveries. But aid groups have made clear that they are very confident the food provided by them will reach intended recipients. More broadly, the North would need to agree to serious monitoring standards. Trying to limit the public relations damage of their position, the Seoul government has allowed small amounts of privately sourced food aid to be given to Korean NGOs for delivery to the North. But it has refused to supply sizeable amounts that might better deal with the problem. Its leaders insist that the North first apologize for their attacks on the South Korean naval vessel, *Cheonan*, and on Yeonpyeong Island, which caused serious casualties in the South. North Korea should indeed apologize, but it is clear they will not. South Korea has ample resources to take care of the terrible situation in the North. If it prefers to let Koreans in the North starve, that is deeply regrettable and the United States should at least urge them to change their policy. If they refuse, the U.S. should abandon its support of the South on this issue. This is not a situation we like, but it is one we must face up to. The long standing other Reagan doctrine—hunger knows no politics—should be our guide. It would be unthinkable for the U.S. to follow the South in allowing large numbers of people, who will one day be South Korea's fellow citizens, to die or to be permanently maimed by malnutrition." (Morton Abramowitz, "Alliance Politics: Legislating Hunger," *38North*, April 14, 2011)

The arrival of U.S. Secretary of State Hillary Clinton in Seoul tomorrow is likely to be a key moment for South Korea to decide whether it should engage with North Korea by accepting China's new "three-step" proposal that places inter-Korean talks as the first step, followed by U.S.-North Korea talks as the second step, as a lead up to the eventual resumption of the six-party talks. The announcement was made after Pyongyang's chief nuclear negotiator Kim Kye-gwan's visit to Beijing, indicating Kim apparently agreed to the proposal. In that step-wise approach, the inter-Korean talks come first. That means Beijing is letting Seoul take the lead by taking the driver's seat in the multilateral negotiations that aim to end Pyongyang's nuclear drive. "It signals China's growing flexibility on the North Korean nuclear talks," said Zhu Feng, a security expert at Peking University in Beijing. "I think inter-Korean dialogue is quite necessary. That will also lay a foundation for the resumption of the six-party talks," which China has consistently advocated. It also believes resuming the six-party talks will help maintain stability in the region. If realized, it would be the first meeting of the chief nuclear negotiators from the two Koreas since the Lee Myung-bak administration was sworn in. Choi Myeong-hae, a North Korea expert at the Samsung Economic Research Institute, doesn't necessarily see China as making a new initiative. "In fact, that was more or less what the countries involved in the six-party talks, except for North Korea, saw as how things should be worked out. Now, the more relevant question is what the agenda will be for the inter-Korean meeting of chief nuclear negotiators," he said. Choi believes Seoul is likely to accept Beijing's proposal. Seoul has yet to make an official announcement on the matter. South Korea's chief nuclear negotiator Wi Sung-lac was in Washington, April 12, to pave the way for Clinton's visit and fine-tune a common posture on the possibility of holding an inter-Korean meeting. North Korea has always sidelined South Korea and preferred to deal directly with the United States, as a lead up to holding the six-way negotiations. "In this sense, China's proposal, to some extent, was a rejection of North Korea's stance," observed Jin Canrong, an international relations expert at Renmin University in Beijing. That may partly explain why Kim Kye-gwan stayed in Beijing for six days before he returned to Pyongyang on Tuesday. "There were likely intense discussions with the Chinese," said Zhu. Despite Pyongyang's new overture, Seoul has not withdrawn its demand for an apology for last year's two attacks as well as a show of "sincerity" toward denuclearization as preconditions for re-engagement. But recently the South also signaled flexibility when **Chun Young-woo, the top national security advisor to President Lee Myung-bak, said Seoul would be willing to decouple inter-Korean dialogue from the six-party talks.** "My understanding is that this two-track approach is also what the U.S. is proposing to Seoul," said Choi. "Seoul can accept inter-Korean dialogue if the agenda of the talks includes the nuclear issue." "I don't think Seoul expects a lot from the inter-Korean talks. Neither do the other countries of the six-party talks, including Beijing," said Han Suk-hee, an expert on Chinese-North Korean relations at the Graduate School of International Studies at Yonsei University. "By holding the talks with Pyongyang, Seoul may avoid criticism over its lacking engagement with the North. But then, most people tend to think 'what's the use of holding the six-party talks?' For South Korea, that would be more of a gesture to change the stalled atmosphere," said Han. Even if North Korea agrees to the South's terms for discussing the nuclear issue within inter-Korean dialogue, that doesn't necessarily signal the beginning of the solution. Rather it is likely to be opening a Pandora's box as the two sides discover what they are

dreading to find out. "That is, no one believes North Korea would give up nukes in a short period of time," said John Park, a senior fellow at the U.S. Institute of Peace in Washington. And that's the view not just of Seoul, but also Washington and even increasingly Beijing, according to experts. Zhao Huji, a political scientist at the Central Party School in Beijing, an elite institution that grooms promising mid-career Communist Party cadres, is not optimistic either. "North Korea will display a more flexible attitude in an effort to earn outside aid. It's because North Korea's food shortage is very severe. But Pyongyang's stance is very clear. If there is 'denuclearization,' it should mean the denuclearization of the entire Korean Peninsula, not just North Korea." Seoul also has not withdrawn its demand for Pyongyang's apology. "There's no change in our position that inter-Korean relations will improve in a genuine way and aid can resume only if the North admits its attacks on the Navy frigate Cheonan and Yeonpyeong Island and apologizes for them," South Korea's Foreign Ministry spokesman Cho Byung-je told reporters. Zhao and Zhu both visited Seoul this month. Zhao said he hardly saw any signs of change from South Korea. Zhu also observed: "It seems Seoul has its own timetable for the inter-Korean talks, rather than following the plan proposed by China." It is uncertain whether Seoul will go ahead and accept Beijing's proposal and sit down with Pyongyang, fully knowing that North Korea's position hasn't changed. In the meantime, "what is certain," said Han at Yonsei University, "is that both Seoul and Washington are continuing with their preparations for North Korean contingency. North Korea's instability will continue to grow. Even China is taking that possibility more seriously than before." (Sunny Lee, "Will Seoul Engage Pyongyang?" *Korea Times*, April 15, 2011)

The drive for inter-Korean nuclear talks appeared to gain momentum. Bilateral talks to discuss North Korea's denuclearization were initially proposed by South Korea in January. A Chinese nuclear envoy included the South-North Korea talks in a proposed three-step approach to resume the stalled six-party talks. A high-ranking official [Wi Sun-lac] told Washington correspondents that nuclear talks between South and North Korea can take place, if Pyongyang accepts the proposal. **He also hinted that there was no link between South-North Korea talks and North Korean contact with the United States.** Early this week, Wu Dawei, China's chief nuclear negotiator, proposed a three-step dialogue approach after holding talks with his North Korean counterpart Kim Kye-gwan in Beijing. Under the proposed scheme, chief nuclear envoys of South and North Korea will hold talks before contact between the United States and North Korea. Over the past few days, small changes began appearing in Seoul's stance on the proposal. An official told reporters that holding nuclear talks between South and North Korea was not a new idea. He noted Seoul already made the offer to the North in January. "Therefore, if North Korea accepts this, negotiators from the two Koreas will sit down," he said. In January, South Korea proposed the inter-Korean talks to discuss the North Korean nuclear weapons program. North Korea made it clear that its counterpart over the nuclear program was the United States, not South Korea and did not respond to Seoul's proposal. Chinese nuclear negotiator Wu's suggestion of holding inter-Korean talks before the North holds talks with the United States came later. Regarding North Korea's enriched uranium program, the above official said South Korea and the United States agreed that the international community should characterize the nature of the program. "If

inter-Korean nuclear talks are open, South Korea will address the uranium program," he said. (*Korea Times*, "Talks over N.K. Nukes Loom," *Korea Times*, April 15, 2011)

Seoul and Washington have begun discussions to cooperate in countering North Korea's missile threats, officials from the two countries said. The Korea Institute of Defense Analyses and the U.S. Missile Defense Agency held a working group meeting in Washington earlier this month to discuss continuing missile threats from the North, said a senior Blue House official. The two agencies signed a cooperative research pact last September, their first joint discussion. The official, however, played down the significance of the meeting, stressing that the discussion should not be interpreted as a step toward Korea joining the U.S.-led missile defense system. "It is just to share information and improve cooperation," said the official. "But it's not to build a joint missile defense system in Korea." The Ministry of National Defense also said that no official discussion took place between Seoul and Washington over the U.S.-led ballistic missile defense system in Korea. "The U.S.-led global missile defense system is to defend the U.S. mainland from long-range missile threats from North Korea and Iran," said a defense ministry official. The defense ministry earlier said South Korea will complete building its own missile defense system by 2015. In Washington, Bradley H. Roberts, deputy assistant secretary of defense for nuclear and missile defense policy, testified before a subcommittee of the Senate Armed Services Committee on Wednesday about the discussions with Seoul on the missile defense issue. "With South Korea, we have engaged in bilateral missile-defense cooperation discussions and have recently signed a Terms of Reference and an agreement that will enable our two nations to carry out a requirements analysis so that South Korea can make informed decisions about the utility of any future BMD [ballistic missile defense] program," said his prepared statement. (Ser Myo-ja, "Korea and U.S. Discuss Missiles in North Korea," *JoongAng Ilbo*, April 16, 2011)

North Korea, in defiance of previously imposed U.N. Security Council resolutions, continues to carry out an illicit trade in nuclear and missile-related materials and arms by employing various "masking" methods, a panel of nuclear experts working with the council has reported. The panel has "identified various masking techniques for illicit trade employed by the DPRK such as physical concealment, mislabeling, false description of cargo/manifest and consignor/consignee and use of circuitous routes," according to a 21-page report recently shown to Kyodo. (Kyodo, "N. Korea Continues 'Masking' Illicit Arms Trade, U.N. Panel Reports," April 16, 2011)

South Korea's defense ministry belatedly confirmed on April 22 that one of its soldiers near the border with North Korea mistakenly fired a machine gun toward the North on April 15, the birthday of late North Korean founder Kim Il-sung. The confirmation came hours after North Korea's military accused South Korea of staging an "unpardonable military provocation" by "firing a 12.7-millimeter large-caliber machine gun in the direction of the North side on April 15." Seoul's Defense Ministry spokesman Kim Min-seok admitted that the accidental firing happened during a routine military drill by a front-line unit in Yeoncheon, about 62 kilometers north of Seoul. The South's military immediately notified the North of the incident via loudspeakers and the North didn't fire back toward the South. "Our military unit in Yeoncheon mistakenly fired three

rounds from a K-6 machine gun toward the North on April 15 during an exercise," Kim said. "The shots were fired toward the North's side, but it was unclear where they landed," he said. "At that time, the North's side didn't fire back." (Yonhap, "Shots Mistakenly Fired toward North on Birth Anniversary of Kim Il-sung," April 22, 2011)

Luongo: With the approach of the 2012 nuclear security summit in South Korea, an obvious question is what role, if any, North Korea will play at the event. Pyongyang was not invited to the 2010 Washington summit, and its nuclear weapons program, which is estimated to include enough plutonium for five to eight nuclear weapons, is a focus of serious international concern. The six-party talks on North Korean denuclearization have been stalled for years, and their future is unclear. One option for tying the North into the summit's substantive scope is to utilize one or more of the centers of nuclear security excellence as a venue for discussions. The establishment of these centers was announced at or soon after the 2010 summit by China, India, Japan, and South Korea. On April 21, 2010, just a week after the Washington summit, in a memorandum on the nuclear issue on the Korean peninsula, the North Korean Foreign Ministry stated that North Korea "has a willingness to join the international efforts for nuclear non-proliferation and on nuclear material security on an equal footing with other nuclear weapons states."¹ The members of the six-party talks have indicated that North Korea will not be recognized as a nuclear-weapon state. By expressing its willingness to join international efforts on nuclear material security, however, North Korea has opened the door to dialogue, although it likely would have to be in the context of the resumption of the denuclearization talks. The process could develop as follows: One or more of the five countries that had been involved in multilateral talks with North Korea—China, Japan, Russia, South Korea, and the United States—or even one or more nongovernmental institutions could invite Pyongyang to participate in a dialogue on best practices in nuclear material security. The location could be the new nuclear security centers in China, Japan, or South Korea or the existing Russian Methodological and Training Center in the science city of Obninsk, which Russia and the United States have used for these types of activities for a number of years. The discussions could be held before the South Korean summit. The substance of the meetings could be a series of discussions on the protection of direct-use materials, perhaps initially focusing on plutonium, or best practices for radiological material security. The workshops could focus on the technicalities of providing modern security for stockpiles using computer-based accounting methods; physical security systems that utilize cameras, fences, and intrusion detection technologies; emergency management and communications techniques; guard force training; and protection of materials in transit. They also could include border security and prevention of nuclear smuggling. These issues are at the heart of the summit's objectives. There is no need to engage with the North Koreans on the specific materials or facilities that they possess. In similar discussions of sensitive facilities, the United States and Russia have used mock-ups or computer-based animation of a "typical" facility very successfully. The 2010 summit called for high levels of protection in all countries, not just the 47 countries that attended the event. Reaching out to North Korea would serve that objective. It also would provide a low-profile, technical way of beginning to renew discussions with the North Koreans on sensitive nuclear issues. Furthermore, it would provide Pyongyang with the opportunity to take steps to implement specific

improvements that would serve its internal needs for security and demonstrate to the international community that it is a responsible possessor and protector of its nuclear materials. For example, North Korea could install modern physical protection equipment and invite experts to see it and verify its effectiveness. This would give the North Koreans an opportunity to demonstrate that they are addressing international concerns about the potential migration of their materials to other states or to nonstate actors. If successful, this process could open the door for North Korea to engage with the 2012 summit and potentially could result in an agreement for the establishment of a Korean Peninsula Nuclear Material Security Zone. Such a step would form a concrete basis for further dialogue on nuclear issues on the peninsula and lead Pyongyang back to the six-party talks and the resumption of the denuclearization process detailed in prior agreements. (Kenneth N. Luongo, "The Urgent Need for a Seoul Declaration: A Roadmap for the 2012 Nuclear Summit and Beyond," *Arms Control Today*, April 2011)

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When Secretary of State Hillary Rodham Clinton landed here tonight, she had a whole list of issues she wanted to talk over with South Korean officials, including a pending free-trade agreement and disaster relief for their mutual ally Japan. But she made no direct mention in her public remarks of one key goal that, according to U.S. officials, she hoped to address: the ever-present, vexing problem of Seoul's neighbor to the north. In her opening speech to South Korea's foreign minister, Clinton touched on North Korea only obliquely with a mention of "non-proliferation." But U.S. officials say one major reason for her visit was to shore up the U.S. relationship with Seoul and to make sure they're on the same page on North Korea. "We want to make sure there's absolutely no space between the South and the United States," said a senior U.S. administration official, who was not authorized to speak on the record. "We know in the past that the North has attempted to use gaps or space or misunderstandings between allies to further its foreign policy goals, and we are determined not to let that happen." North Korea has signaled of late that it is open to restarting discussions with the international community, and it has engaged in meetings with the South. But after years of watching Pyongyang's cycle of provocation, rapprochement and minor concessions in exchange for food and aid, many including U.S. diplomats say they are wary of reengaging in talks without making sure it is something South Korea – one of America's strongest allies in Asia – wants. Some critics have hailed the current U.S. position as a non-plan because it has consisted of and resulted in almost no action. Others have called it "strategic patience." "Though it has a different moniker, every administration in the past 30 years has more or less tried the same thing," said Victor Cha, a senior adviser at the Center for Strategic and International Studies. "I don't blame them for trying either, but I would not bet on this to work." The problem is – and has been for years – that the United States stands to lose whether it engages or not. Engaging with North Koreans means the risk of being played for a sucker yet again if Pyongyang's interest in resuming talks isn't genuine. But maintaining a tough and unyielding stance could lead Pyongyang to provoke again – with a missile test, nuclear test or additional unprovoked strikes on the South. But for now at least, it appears that the United States is sticking to its hard line, unwilling to hold talks until North Korea follows up on its earlier promises from previous six-party talks to disarm in return for aid. "We're not interested in returning to what we might call 'business as usual,' where in exchange for certain aspects of support, North Korea takes some small steps which

could then be subsequently reversed," a senior U.S. official said. "What we're looking for is a fundamental change in the way North Korea acts with its neighbors." (William Wan, "In Seoul, Clinton Quiet on North Korea Issue," *Washington Post*, April 17, 2011, p. A-13)

It is "premature" for the two Koreas to hold governmental talks for a joint survey of a North Korean mountain to assess the risk of its potential volcanic eruption, a high-level Seoul official said. The remark came days after the two Koreas agreed to conduct a joint on-site survey of Mount Paektu during a rare civilian-led meeting that experts say may help open the way for official dialogue between the two countries. "We cannot rule out a possibility that the experts' meeting could develop further (into an inter-governmental meeting) if it goes well, laying grounds for dialogue. We, however, have no intention to utilize it as a formality to open the dialogue," the official told reporters on condition of anonymity. "The ball is in the North's court, not ours," the official said. "The future of inter-Korean dialogue depends on Pyongyang's attitude." (Yonhap, "Inter-Korean Volcano Talks 'Premature': Seoul Official" April 17, 2011)

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Seoul will not have talks with Pyongyang solely as a way of restarting the six-party denuclearization process, but will insist on some proof that North Korea is sincere in shutting down its nuclear weapons program, a high-ranking South Korean government official said. In a meeting with South Korea's Foreign Minister Kim Sung-hwan in Seoul yesterday, U.S. Secretary of State Hilary Clinton reiterated a joint stance between Seoul and Washington that inter-Korean talks must come before the resumption of the six-party talks. The two ministers stressed that the North demonstrate a real sincerity for denuclearization. "What is important is whether this [inter-Korean talks] shows the North is willing to resolve the problems earnestly, bring security and peace to the Korean Peninsula and move forward inter-Korean relations," said a high-profile Seoul official.

Last week, It is still unclear whether the "sincerity" Seoul hopes to see from the North will include an apology for the deadly attacks against the South last year, including the sinking of the South Korean warship Cheonan and the shelling of Yeonpyeong Island. Some analysts speculate the South will bring up the issue of the attacks at a different time and place, with the inter-Korean talks focused on the denuclearization issue only. Working-level military talks between the two Koreas in February broke down after the South brought up the attacks. (Moon Gwang-lip, "Seoul Holds Firm on Talks with North," *JoongAng Ilbo*, April 18, 2011)

The Serious Fraud Office is looking into an elaborate scam that took in the former England football manager Sven Göran-Eriksson, former spymaster Sir John Walker and the North Korean government. Investigators are also looking at how the same fraudster took control of almost half of a London investment bank without paying for the shares. First London plc - the investment bank whose shares were listed on the Plus stock exchange and whose advisers included Tim Yeo MP and Air Marshal Sir John Walker, a former head of defence intelligence - subsequently went into administration with debts of £8.7m. BBC Panorama has discovered that Russell King, a convicted fraudster, took control of 49% of First London by claiming he was managing billions of dollars for the Bahraini royal family. The case has been referred to the SFO - which only

looks at the country's highest value frauds - by the Financial Services Authority. An FSA spokesman said: "In this case the acquisition of control occurred without the FSA having been given the prior notice which the law requires it to be given. Had it been given proper notice it would have been in a position to consider whether it should use its powers to object to and prohibit the change of control. The FSA subsequently identified a number of concerns and pursued a series of leads into what was an extremely complex corporate structure. It would be inappropriate for us to comment further at this time due to confidentiality issues." The Panorama program will show how King then used the name of the bank and its high-profile advisers to give credibility to deals. They included an attempt to obtain funding for a new company that claimed to have assets worth \$2tn and the short-lived takeover of the Football League's oldest club. In 2009, King was behind a controversial takeover of Notts County which promised to bring millions of pounds of investment from the Middle East. The investment, which appeared to have been guaranteed by First London, never materialised and the club was left £7m in the red - but not before Eriksson agreed to join County as director of football. Nottingham police are investigating. The coach's contract included a clause entitling him to €11m of shares in a little-known company called Swiss Commodity Holding, which had been set up a few months earlier and was claiming to have assets worth \$2tn from the exclusive rights to North Korea's gold, coal and iron ore. King persuaded the former England manager to visit the rogue state as part of an SCH delegation and Eriksson was present at a meeting with the North Korean leadership. "I was in the palace and they were handing over to the North Korean government so-called shares," he tells the programme. "I asked them how much and what they told me was not millions, it was billions of dollars. They used my name. Of course they did. At the end it became a big, big mistake." Panorama's investigation shows that King was secretly running SCH, which was considering a public listing. (Simon Goodley, "SFO Looks into Scam That Fooled North Korea," *Guardian*, April 17, 2011)

"Senior Chinese officials verbally invited" Kim Jong-un to visit Beijing during their trip, Choi Jae-sung, a lawmaker of the opposition Democratic Party, quoted spy chief Won Sei-hoon as telling lawmakers in a closed-door parliamentary session. Won also said the North is strengthening its control on food supply and is collecting rice from each household, companies and state organizations for its 1.1 million-strong military, the key backbone of Kim's rule, according to Choi. The spy chief said one of the reasons for the North's control of food supplies may be for the milestone event next year when the country will mark the centennial of the birth of its founder. (Yonhap, "S. Korea Says China Issued Verbal Invitation to N. Korea's Heir Apparent," *Korea Herald*, April 18, 2011)

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Unification Minister Hyun In-taek pressed Pyongyang to take sincere steps regarding its two deadly attacks on the South last year to move forward inter-Korean dialogue and broad international talks on ending North Korea's nuclear weapons programs. He said that Seoul must have dialogue with North Korea, calling it "the most important building block" for making peace on the divided Korean Peninsula. However, he said the conditions for dialogue between the two sides are not yet ripe, citing the North's intransigence. "We haven't heard a single word of apology or accountability from the

North, not one word that it is sorry," Hyun said in the text of a speech at a university forum. "In order to hold meaningful dialogue between the two Koreas, the North must first come forward to inter-Korean dialogue with a sincere attitude on denuclearization as well as on the two provocations last year," Hyun said. "I am not saying that these are 'preconditions' to inter-Korean dialogue." He said "the ball is in the North Korean court," noting that Seoul's doors to dialogue with the North are wide open and it's up to the North to decide whether it steps into that "room of dialogue." (Yonhap, "Seoul Renews Demand for N. Korea's Responsible Steps over Deadly Attacks," April 18, 2011)

South Korea will set up an air and missile defense system by 2015 to protect densely populated areas like Seoul and major strategic facilities such as air bases and nuclear power plants against ballistic missile attacks from North Korea. The government decided to establish the defense system "in view of the growing North Korean missile threat, including its 800 to 1,000 medium to long-range ballistic missiles," a government official said Friday. The project will cost W2-3 trillion (US\$1=W1,091). It represents Seoul's response to Washington's persistent demands that it join the U.S. missile defense system. There are serious doubts over the effectiveness of the U.S. system, on which the equivalent of some W100 trillion has already been spent, and it has incurred strong protest from China. The South Korean government believes joining it will do more harm than good, but it is necessary to prepare for the North Korean missile threat. As a result, it decided to push its own system instead. The South Korean system will be much smaller than the U.S.' It aims to intercept medium to long-range Scud or Rodong missiles with a range of less than 1,000 to 1,300 km, while the U.S. system aims at defending the U.S. mainland against intercontinental ballistic missiles with a range of longer than 5,500 km from North Korea, China, Russia or Iran. By around 2012, military authorities will set up a W280 billion-worth Israeli-made ballistic missile early warning system, and a W21 billion ballistic missile defense operations control center. That means the best the military can hope for is to lay the basic framework for missile defense by 2015. Experts point out that South Korea will in a way or another come to depend on the U.S. missile defense system because it needs to receive information from the U.S. satellites for North Korean missile movements, and they are part of the U.S. missile defense system. (*Chosun Ilbo*, "S. Korea to Get Its Own Missile Defense System," April 18, 2011)

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MOFAT spokesman Cho Byung-jae said in a briefing that they must be addressed in order to bring about progress in other areas of diplomacy, including the six-party talks. "Regardless of whether this is a precondition or not, it's clear that resolving this issue will have an effect on all forms of inter-Korean dialogue and on the six-party process," he said. "We believe it is difficult to expect any particular progress in other areas without a discussion and resolution of this issue." He said, "The most important keyword is how North Korea displays and demonstrates through action its sincerity toward peace and stability on the Korean Peninsula and the goal of denuclearization." (Yonhap, "S. Korea Urges N. Korea to Address Provocations before Opening Talks," April 19, 2011) Some officials say an apology from North Korea is not a precondition for the resumption of the dialogue, but others say it is meaningless to reopen talks

without addressing the past attacks. "Receiving an apology has a symbolic meaning for South Koreans in deterring the North from provoking again, but it could be viewed as being unrealistic by other nations given the North's attitude," a source said, asking not to be named. "At some point, the Lee administration may have to readjust its stance on Pyongyang to move the denuclearization process forward." State Department spokesman Mark Toner said a successful rapprochement between the two Koreas was an essential first step before engaging again in diplomatic efforts to resolve the North Korean nuclear issue. "We've seen a steady pattern of belligerent behavior on the part of North Korea. So we need to see a clear and decisive move in the opposite direction before we can talk about next steps," Toner said yesterday. He, however, came short of demanding an apology for the past attacks. "I didn't say they had to apologize for the Cheonan incident," he said. "North Korea needs to show that it is willing to engage in a constructive dialogue or manner with South Korea. That's an essential first step here." (Na Jeong-ju, "'Apology-First, Talks-Later' Policy Could Trouble Seoul," *Korea Times*, April 19, 2011)

NIS chief Won Sei-hoon told the National Assembly intelligence committee, "A nuclear test is always possible as [North Korea] has various nuclear test sites and construction of [new] sites is under way." His closed-door comments were quoted by GNP lawmaker Hwang Jin-ha. He saw "a slim possibility" of an immediate test, according to DP lawmaker Choi Jae-sung. (Yonhap, "Spy Chief Says N. Korea Could Conduct Nuclear Test Anytime," April 19, 2011)

The U.S. Treasury Department says it has blacklisted North Korea's Bank of East Land, describing it as a conduit for the communist nation's trade in conventional weapons. The designation came after President Barack Obama signed an executive order targeting the North's trade in arms, import of luxury goods and illicit activities including money laundering. David Cohen, acting under secretary for terrorism and financial intelligence, said in a statement the designation of the Bank of East Land "exposes North Korea's efforts to circumvent sanctions to conduct illicit activities and degrades its ability to abuse the international financial system." Treasury alleged the bank had facilitated financial transactions and transferred funds for Green Pine, a company linked to North Korean intelligence and sanctioned under the executive order for exporting arms or related material. The statement said in 2007 and 2008 the bank facilitated transactions involving Green Pine and designated Iranian financial institutions, including Bank Melli and Bank Sepah. Green Pine specializes in the production of maritime military craft and armaments, such as submarines, military boats and missile systems, and has exported torpedoes and technical assistance to Iranian defense-related firms, the statement said. (Associated Press, "U.S. Blacklists a North Korean Bank Said Linked to Trade in Conventional Weapons," April 19, 2011)

4/20/11

The government approved two more civilian groups to send humanitarian aid to North Korea, as it continues to approve aid packages after recently lifting the ban on such activities. The Ministry of Unification announced it would allow Okedongmu Children in Korea to send 79 million won worth of medical supplies; and the Korea Association of People Sharing Love to send 17 million won worth of food for orphans. The groups were the fifth and sixth non-governmental organizations (NGOs) to gain approval to

send aid northward since Seoul last month lifted its ban, imposed after Pyongyang's deadly shelling of Yeonpyeong Island in November. (Kim Young-jin, "Seoul OKs More Civilian Aid to Pyongyang," *Korea Times*, April 20, 2011)

4/22/11

North Korea on Friday threatened to launch "unpredictable and merciless" fire against South Korea over its anti-Pyongyang leaflets. In a carefully orchestrated move, they floated some 200,000 leaflets on April 15 that included stories of the uprisings in North Africa and the Middle East in hopes of inspiring North Koreans to eventually rise up against their longtime autocratic leader. April 15 is the birthday of North Korea's late founder Kim Il-sung. The North's military warned in a message to its South Korean counterpart that leafleting "is a form of psychological warfare and just a clear-cut war provocation to a warring side." "Direct fire at the area where leaflets are let fly will be a legitimate punishment" against the violator of an armistice agreement that ended the 1950-53 Korean War, the North's military said in the message carried by KCNA. It also warned that it will "expand the scope of direct fire ... into full-scale destruction fire at any area anytime," noting that confrontational moves from Seoul against the North "will result only in unpredictable and merciless punishment from our army." (Yonhap, "N. Korea Threatens to Launch 'Merciless' Fire over Propaganda Leaflets," April 22, 2011)

KCNA: "The head of the north side to the inter-Korean general-level military talks Friday sent a notice to the puppet military of the south side as regards the extreme confrontation racket by the Lee Myung Bak group of traitors. The south side is persisting in the dirty action of scattering anti-DPRK leaflets, despite the north side's repeated warnings, while committing such reckless military provocations as firing bullets at it. It scattered more than 200,000 leaflets at Rimjin Pavilion in Phaju City on April 15 and 1.2 million around Samgot-ri, Jung-myon, Ryonchon County in the central sector of the front on April 14, stealthily acting like a cat burglar for fear of merciless counteraction by the army of the DPRK. It also perpetrated unpardonable military provocation such as firing 12.7 mm large-calibre machine gun in direction of the north side at random from 516 gendarme post at 19:38 on April 15. Those facts prove that the present puppet authorities are getting evermore pronounced in the bellicose stand to escalate the north-south confrontation and finally bring the situation to the brink of war, the head of the north side pointed out. Then he solemnly notified the following principled stand of the Korean People's Army: As already and evidently clarified, leaflet scattering is a form of psychological warfare and it is just a clear-cut war provocation to a warring side. Accordingly, it is our invariable stand that **direct fire at the area where leaflets are let fly will be a legitimate punishment by the army of the DPRK, a warring side, to the breakers of the Armistice Agreement.** Moreover, the south side resorts to scattering of leaflets, moving places in a cunning way for fear of counteraction by our army. Under this situation, our army officially informs the south side that it will expand the scope of direct fire, already declared, into full-scale destruction fire at any area anytime. We remind again the south side of our stand that its reckless anti-DPRK confrontation moves will result only in **unpredictable and merciless punishment from our army.** The Lee Myung Bak group of traitors should stop at once the reckless confrontation moves, clearly understanding the will of the army and people of the DPRK never to pardon any provocation no matter how it is

committed. (KCNA, "Notice to South Side on Intensified Smear Campaign," April 22, 2011)

4/24/11 The ruling DPJ lost in seven of 10 mayoral elections Sunday in which its candidates effectively faced off with those of the LDP in the second round of local polls. (Kyodo, "LDP Stings DPJ in Seven out of Ten Mayoral Polls," *Japan Times*, April 25, 2011)

4/25/11 A group of internationally prominent figures, known as the Elders, is seeking to ease tensions on the Korean peninsula and draw attention to the ongoing food shortages in North Korea with a trip to Pyongyang. Nelson Mandela founded the Elders in 2007. The group is made up of global leaders who no longer hold public office and who work together to support peace and human rights. Former American president and Nobel Peace Laureate Jimmy Carter is leading this Elders delegation to Pyongyang. "We received our invitation from the top leaders in North Korea, and I can't identify which ones, I don't think that's important. But the Elders, as a group, were asked to come, to learn what we can about the situation of humanitarian concerns on the ground." He said the delegation also will discuss North Korea's nuclear program in meetings with leaders in Pyongyang. "The Elders are not in a position to negotiate, we're not mediators. We're going to learn what we can and share what we find with the leaders with whom we have contact in the future," he said. (Stephanie Ho, "Group of Prominent Elder Statesmen Seeks to Ease Korean Tensions, VOA, April 25, 2011) Carter said the group "would like very much" to meet with North Korean leader Kim Jong Il, as well as his son and heir-apparent Kim Jong Un, but was unsure whether that would happen. "We have no indication that we will do so, but it would be a pleasure if we could," he said at a news conference in Beijing prior to his departure for Pyongyang. Carter also criticized long-standing economic sanctions imposed on the North. "In almost any case when there are sanctions against an entire people, the people suffer the most and the leaders suffer least," he said. "And we believe that the last 50 years of deprivation of the North Korean people to adequate access to trade and commerce has been very damaging to their economy, as well as some problems they may have brought on by themselves." Former Irish President Robinson said a recent United Nations study based on conditions throughout North Korea classified 3.5 million out of the country's 24 million people as "very vulnerable" to starvation and that conditions stood to worsen with cuts in food distribution. "We believe that it is very, very important to ensure that women and children and the elderly do not suffer because of a political situation," Robinson said. (Associated Press, "Jimmy Carter Says He Hopes to Meet with Kim Jong-il as Part of His Trip to Pyongyang," April 25, 2011)

Paal: "At a recent meeting hosted in Germany by the Aspen Institute between U.S. and North Korean experts, **the delegates from Pyongyang reportedly did not deny responsibility for the two incidents last year**, showing greater flexibility on the subject than their Chinese apologists and perhaps presaging how the North and South will handle the demand for apologies. But the North also indicated no willingness to abandon nuclear weapons without unacceptable security concessions from the United States, including dismantling the Japanese and South Korean alliances and folding the nuclear umbrellas they provide. Judging from Wu Dawei's current visit to Seoul and his reception of the North's chief negotiator earlier this month in Beijing, the pieces are

coming together for North-South talks to resume, somehow finessing or meeting the need for apologies. Wu is trying to stage manage the process to contain tensions, appease Pyongyang, and reduce the need for Beijing to choose whether or not to support its Northern ally at the expense of good relations with the South. **If North-South talks do not break down, Washington and Seoul have agreed that the United States will commence, with Seoul 's support, bilateral discussions on Pyongyang 's renewal of adherence to the joint statement of September 2005 promising eventual denuclearization.** On the way to an informal meeting of the six-party talks there is still a great deal of underbrush to clear away, as both the United States and North Korea blame the other for the breakdown of the talks at the end of the George W. Bush administration. For its part, the Obama administration appears to be proceeding with its eyes wide open to the risks, including from within the administration, that it will be sucked into a process for a third time that fails to deliver denuclearization. Since the NATO attacks commenced against Libya 's Muammar Gaddafi, it is hard to imagine the lesson is lost on Kim Jung Il that giving up weapons of mass destruction will not guarantee his regime's outlook for survival. The appointment of Sydney Seiler as a new director of Asian affairs at the National Security Council reinforces this skepticism by placing one of America 's officials most knowledgeable about North Korea near the center of the process. The prospects for talks are bright and the prospects for results dim. (Douglas Paal, "Talks Set to start with North Korea," Carnegie Endowment for International Peace, April 25, 2011)

4/26/11

FM Kim Sung-hwan said that North Korea had no good reason to communicate with South Korea through a group of civilians who are not in a position to represent the South. Kim was referring to former U.S. President Jimmy Carter and three other former leaders of European countries who headed to the North for a three-day trip. His remarks were construed as Seoul's official denial of the speculation that the so-called Elders' Pyongyang trip could provide momentum for the resumption of stalled nuclear talks. During a regular press briefing, the top diplomat noted several dialogue channels are open between the two Koreas. Meanwhile, China's chief nuclear envoy arrived in Seoul for a four-day visit. During a meeting with his South Korean counterpart Wi Sung-lac, Wu Dawei briefed on the meeting with his North Korean counterpart Kim Kye-kwan, which was held two weeks ago. A foreign ministry official told reporters on condition of anonymity that Wi and Wu had "a good conversation" and they discussed ways to handle North Korea's nuclear program. He noted that China supported South Korea's position that there were necessary steps before the resumption of the stalled nuclear talks and that progress should be made at inter-Korean talks. (Kang Hyun-kyung, "Seoul Plays down Carter's Role," *Korea Times*, April 26, 2011)

A North Korean patrol boat crossed the tense Yellow Sea border into South Korean waters before retreating to its own side after warning shots from the South's Navy, military officials said April 27. The North Korean vessel violated the Yellow Sea border at 9:38 p.m. yesterday, but returned to its side nine minutes later following three times of loudspeaker broadcasts and eight rounds of warning shots, said an official at the Joint Chiefs of Staff . It was not clear why the North's patrol boat crossed the Northern Limit Line (NLL), but the South's military presumed that it accidentally crossed the sea

border while monitoring Chinese fishing boats, according to the official. "The (North Korean) boat is presumed to have violated the NLL as it cracked down on violations of its maritime interests by Chinese fishing boats," the JCS official said on the condition of anonymity. There were about 100 Chinese fishing boats on the northern side of the NLL at the time of the incursion, he said. (Yonhap, "N. Korean Boat Violates Yellow Sea Border, Returns after Warning Shots," April 27, 2011)

4/27/11

South Korea and China reached consensus that progress in denuclearizing North Korea must be made if and when Pyongyang agrees to hold nuclear talks with Seoul, a senior official here said, amid a looming prospect for such unprecedented dialogue. The consensus was made when China's top nuclear envoy, Wu Dawei, paid a courtesy call on South Korean FM Kim Sung-hwan as part of his trip that began yesterday, the official said. The official, briefing reporters on the condition of anonymity, said Kim expressed hope for routine denuclearization talks between Seoul and Pyongyang while Wu agreed that such dialogue should not be a formality before restarting six-party nuclear talks on the North. The talks, **designed to compensate the North for denuclearization steps**, have not been held since 2008. Seoul and Washington say Pyongyang must take denuclearization steps before the talks reopen. "Kim also stressed that North Korea should not make additional provocations," such as the November bombardment of a South Korean island that killed four nationals, the official said. "The two sides agreed that certain progress must be made" when the nuclear envoys of South and North Korea meet as proposed by Wu following his meeting with his North Korean counterpart, Kim Kye-gwan, in Beijing on April 11, the official said. (Sam Kim, "S. Korea, China Agree Inter-Korean Talks Should Lead to Nuclear Progress: Official," Yonhap, April 27, 2011)

The DP performed far better than anticipated in today's parliamentary and local by-elections, sweeping two of the three key posts up for grabs. Voting took place in 38 electoral districts, selecting three National Assemblymen, the Gangwon governor and local government and council representatives. DP chairman Sohn Hak-kyu won a lawmaker seat in a cutthroat battle against Kang Jae-sup, former leader and five-term lawmaker of the governing Grand National Party (GNP) in a district, where voters had a strong tendency to pick conservative politicians. With the victory, Sohn will return to the Assembly as a legislator for the first time in nine years. Under Sohn's leadership, former DP lawmaker Choi Moon-soon also clinched a surprise victory against GNP candidate Ohm Ki-young, who comfortably led the Gangwon governorship race at the start. Earlier polls suggested Ohm's support was about 10 percentage points higher than Choi's in the northeastern region, where the GNP has long considered as its stronghold. Political watchers say Sohn has emerged as a formidable rival to Rep. Park Geun-hye, former GNP chairwoman whose support has been more than double that of any other politician in the past few years. (Lee Tae-hoon, "Sohn Emerges as Counterforce to Park," *Korea Times*, April 28, 2011) Shocked by the ruling party's rout in by-elections, President Lee Myung-bak is contemplating a complete overhaul of the Blue House as well as a cabinet reshuffle to restore public confidence in his party in the year running up to a general election and the December 2012 presidential election. The leadership of the ruling Grand National Party yesterday decided to step down to overhaul its image after voters - particularly the working middle class - snubbed the

conservatives Wednesday. "Blue House Chief of Staff Yim Tae-hee has recommended the president to take the opportunity for a complete overhaul," Hong Sang-pyo, senior secretary to the president for public affairs, said yesterday. "Yim told Lee that Blue House staffers are also feeling responsibility for the defeats." Hong added, "The president is seriously thinking of reshuffling the Blue House secretariat and the cabinet." In four high-profile races - to elect three national legislators and the governor of Gangwon - the Democratic Party scored two victories, while the Grand National Party and the Democratic Labor Party each gained one. Sohn Hak-kyu, chairman of the Democratic Party, won 51.0 percent of the votes in Bundang B District of Gyeonggi in a race against former GNP Chairman Kang Jae-sup. Kang won 48.3 percent. In the Gangwon gubernatorial race, the DP's Choi Moon-soon won 51.1 percent against the GNP's Ohm Ki-young, who won 46.6 percent. The Democratic Labor Party's Kim Seon-dong won in Suncheon, South Jeolla, boosting the party's strength among opposition liberal parties. Political analysts said the GNP's defeat in Bundang was caused by the conservative, middle-class neighborhood's unhappiness with inflation, the sluggish property market and skyrocketing housing rental fees. "The capital region's voters in their 30s and 40s are floating voters, and they appeared to be protesting economic frustrations politically," said Jaung Hoon, a political science professor at Chung-Ang University. "Bundang voters were sending a clear message of warning to the GNP," said Kim Hyeong-jun, a political science professor at Myongji University. "It's a strong demand that Lee change his governance style and that the GNP must completely reform itself." The by-election turnout of 43.5% was the highest in history. (Ser Myo-ja, "Lee, GNP Clean House after Rout," *JoongAng Ilbo*, April 29, 2011)

North Korea proposed joint inter-Korean cooperation in dealing with the naming dispute over the East Sea in which a South Korean organization responded positively, an official said. The North sent a notification on April 27 that historians of the two Koreas join hands in coping with the naming dispute of the East Sea, a government official said. Upon the request, the South's Northeast Asian History Foundation responded that the two Koreas hold a meeting in mid-May in the North Korean border town of Kaesong, according to the official. (Yonhap, "N. Korea Proposes Cooperation on East Sea Naming Dispute," *Korea Herald*, April 29, 2011)

4/28/11

Former U.S. President Jimmy Carter and three former European leaders did not meet with North Korean leader Kim Jong-il during their three-day trip to Pyongyang, a South Korean official said. The South Korean official made the comment after being briefed by Carter and his delegation on their rare trip that included meetings with North Korea's No. 2 leader Kim Yong-nam and Foreign Minister Pak Ui-chun. Carter said that North Korea wants to have an unconditional dialogue with South Korea and the United States on denuclearization or any other subject, but will not abandon its nuclear weapons without a security guarantee. "We are hearing consistently throughout our busy schedule here in Pyongyang that the North wants to improve relations with America and is prepared to talk without preconditions to both the U.S. and South Korea on any subject," Carter said in a message posted on the Web site of The Elders, an independent group of global leaders to promote global peace and humanity. "The sticking point, and it's a big one, is that they won't give up their nuclear program without some kind of security guarantee from the U.S.," he said. (Yonhap, "S. Korea

Says Carter Failed to Meet with N. Korean Leader," April 28, 2011) North Korean leader Kim Jong-il wants to hold a summit meeting with South Korean President Lee Myung-bak at any time, former U.S. President Jimmy Carter said in Seoul. "Although we did not meet with the leader of North Korea, when we had already departed from our guest home, we were asked to come back to receive a personal message," Carter said in a press conference. He added Kim "specifically" said he wanted an inter-Korean summit, Yonhap reported. (Shin Hae-in, "N.K.'s Kim Ready to Meet Lee at Any Time," *Korea Herald*, April 28, 2011) The delegation did not meet Kim during its three-day stay in the communist state, but Carter said Kim's offer of talks was made earlier Thursday in Pyongyang in a "personal message" read by an official. Kim "sent word that he and the people of North Korea are willing to negotiate with South Korea or the United States or (the other powers involved in six-party nuclear disarmament talks) on any subject at any time without preconditions", Carter said. "He specifically told us that he was prepared for a summit with President Lee Myung-Bak at any time to discuss any subject directly between the two heads of state." Carter said one of the most important human rights was access to food. "For America and South Korea deliberately to withhold food aid to North Korea because of unrelated political issues is really a human rights violation," he said. He added that Pyongyang was willing to allow monitoring of aid, after accusations that shipments in the past had been diverted to North Korea's vast army. "My opinion is that the North Koreans will not admit responsibility for the sinking of the Cheonan and will not apologise," Carter said. But top military and political figures "expressed deep regret" for the loss of life on the Cheonan and for civilians killed on the island, he said. (AFP, "North Korea's Kim Ready for South Korean Summit: Carter," April 28, 2011)

In a joint interview with two senior members of his Washington-based think tank, John Hamre, head of the Center for Strategic and International Studies (CSIS), said what matters now is whether Seoul is satisfied with the results of its nuclear talks with Pyongyang. "Right now, we're guided by how South Korea is looking at the situation," the former U.S. Deputy Secretary of Defense said, adding President Barack Obama "has no pressure whatsoever coming from the left to try to push for negotiations" with North Korea. "If nothing happens in that inter-Korean dialogue, the U.S. is not going to have dialogue with the DPRK," Victor Cha, who oversees Korea issues, said in the meeting with several local journalists. "This has to be substantive. It has to be real," said Cha, a former director for Asian Affairs at the White House, expressing skepticism over China's intentions behind its proposal. "The Chinese are proposing this, but it is just form," Cha said. "It is, in many ways, quintessential Chinese diplomacy. It's just about steps." Cha said China should do "the difficult work behind the scenes" if it wants to prove its intentions are genuine. "Push North Korea to be willing to stop its nuclear program and to allow (nuclear monitors) in ... go to the U.N. Security Council with everybody else and declare this is the violation of existing agreements," he said, referring to the uranium enrichment project the North unveiled late last year.

Michael Green, a former senior director for Asian affairs at the U.S. National Security Council, expressed confidence that Seoul and Washington will maintain a "zero gap" as they deal with the ongoing nuclear arms development by North Korea. "There's no senior official in the Obama administration, I think, who actually believes North Korea will sincerely make an effort to give up its nuclear weapons," he said, arguing that

Seoul and Washington have never "been closer in interpreting North Korean intentions." "There are some in the Obama administration who are concerned that a lack of dialogue (with North Korea) could create a dangerous vacuum. Personally, that concern is overblown," said Green, who now oversees Japan issues at the CSIS. U.S. experts visiting South Korea to participate in a series of conferences here met with South Korean Foreign Minister Kim Sung-hwan yesterday. They were speaking in a session following a conference organized by the foreign ministry-affiliated Korea Foundation in Seoul. (Sam Kim, "U.S. Not to Engage N. Korea If Inter-Korean Nuclear Talks Bear No Fruit: Experts," April 28, 2011)

4/29/11

North Korea's rubber-stamp parliament said that it will set up a special zone for international tours of the country's troubled mountain resort in an apparent move to induce foreign investment. The North "will encourage free investment in the development of the special zone by corporate bodies, individuals and other economic bodies and will protect by law the invested capital and properties and income and other profits to be gained through business," the North's Supreme People's Assembly said in a decree carried by KCNA. The legislature said North Korea's sovereignty will be exercised over the zone that includes several areas on Mount Kumgang, a scenic resort on the country's east coast. It also said the agency in charge of tourism will take relevant measures to increase new tourist destinations, depending on the progress in the special zone development. No details were provided. Lee Jong-joo, a spokeswoman for South Korea's Unification Ministry handling inter-Korean affairs, said the North's move appears to be aimed at attracting foreign capital to develop the resort. (Yonhap, "N. Korea to Set up Special Intl. Tour Zone at Mount Kumgang," April 29, 2011)

The World Food Program says it is launching an emergency operation to help feed 3.5 million people suffering from hunger in North Korea. A WFP spokeswoman says the global body believes food shortages have "led to a serious deterioration in the health of millions" in the East Asian country. Emilia Casella says the harsh winter and poor vegetable crop last year have left North Korea with severe shortages of staple foods. Casella told reporters in Geneva on Friday that chronic malnutrition is already widespread in the country. (Associated Press, "U.N. Launching Emergency Food Aid Program for 3.5 Million in North Korea," April 29, 2011)

Imjingak, site of a ferocious battle during the Korean War, has become a favored launching site for some of the South Korean activists who send propaganda balloons northward. The balloon campaign has so angered North Korea that its military has threatened – as recently as last Friday – to "mercilessly" shell Imjingak and other border towns if the launchings continue. North Korean artillery units are dug in a few kilometers away, just across the world's most heavily militarized border. North Korea has said they would fire surgical strikes at those of us sending up balloons, so this highly allergic reaction clearly shows what we're doing is working," said Park Sang-hak, 43, the son of a former North Korean spy who defected along with his family in 1999. Park now heads Fighters for a Free North Korea, a human rights group in Seoul that has become the most aggressive balloon-launching outfit in the South. "We get threats against him quite often now," said a plainclothes police officer who was guarding Park

before a recent launching. For much of the previous decade, the South Korean government tried to block the balloon launchings, which pushed the activists to work clandestinely. But the policy changed dramatically in the spring of last year after the sinking of the Cheonan. "Previously we tried to persuade the balloon guys not to do anything because it badly affected inter-Korean relations," said a senior official in the Unification Ministry, speaking anonymously because he was not authorized to comment publicly on the matter. "But after the Cheonan, our position changed," the official said. "We don't block them now. It's a matter we leave to the local police." Police officials have allowed the balloon launchings to continue at Imjingak – no special permit is necessary – and they intervene only if there is violence. Park, an engaging and energetic man, honed his technique alongside Lee Min-bok, an evangelical Christian and the other leading figure in the balloon campaign. Beginning in 2003, looking for a way to poke the North Korean regime, they started out by tying a few handwritten leaflets to some tiny children's balloons bought at a party store. Once devoted colleagues, the men are now bitter rivals. "I'm the original," said Lee, who had been an agricultural scientist in North Korea. He said he fled in 1995 after his suggestions about economic reforms were not well received by his superiors. His operation is financed by donations from churches and conservative Christians. He said he launched 1,500 balloons a year and accounted for 90 percent of all propaganda leaflets being sent into the North, about 250 million so far. Lee, who uses various covert launching sites along the border, ridiculed Park's launchings at Imjingak as little more than publicity stunts. He said the wind conditions were so unfavorable that Park's balloons often ended up floating back into South Korea. Park, for his part, called Lee "a Christian zealot" who was voted out of their secular group several years ago because he wanted to emphasize religion in their leaflets. "He claims he's a revolutionary and the godfather," Park said. "But even among defectors, he's an outsider. He's a religious person with a narrow focus who works on his own." Lee occasionally sends small radios, aspirin, pens or indigestion tablets. But he never sends Bibles, saying North Koreans would be severely punished if they were caught with one. Park's messages often contain highly personal attacks on the North Korean leader and the dynastic plan for his youngest son to assume power. A rap video on DVD includes cartoons that lampoon Kim as a stiletto-heeled transvestite spilling out of a bustier, as an obese Disco Elvis in a white jumpsuit and as a bulbous-nosed drunkard in a New York Yankees cap. Another message ridicules Kim's fashion choices, ending with the phrase: "And your jackets are lame!" The balloon launchings most typically occur at secluded spots near the border, although Park favors the tourist zone at Imjingak for its publicity potential. Local residents, even if they agree with his politics, do not particularly like to see him coming. For one thing, they would prefer not to be in the cross hairs of North Korean howitzers. Also, because the balloon events here can be confrontational, many South Korean tourists stay away, which has angered many of the local business owners. The tour buses are going elsewhere, the souvenir stands are struggling and the restaurant business is down more than 50 percent. Lee Nam-soon, 78, no relation to Lee Min-bok, is among those who disapprove of the balloon launchings as an impediment to peace with the North. She spends most of her mornings at Imjingak, gathering signatures on a petition calling for new international talks on North Korean denuclearization. "These men with the balloons, they have the right to do this," she said. "But it's infantile and silly." "They're like little boys," she said.

"Little boys playing with matches." (Mark McDonald, "Balloon-Borne Messages to North Korea Have Detractors on Both Sides of the Border," *New York Times*, April 29, 2011, p. A-10)

U.S. Secretary of State Hillary Clinton urged North Korea to improve ties with South Korea through inter-Korean dialogue before any resumption of the six-party nuclear talks. "And with respect to North Korea, we have made consistently clear what we expect from North Korea in its actions in the future," Clinton told reporters after meeting with Japanese Foreign Minister Takeaki Matsumoto at the State Department. "We would like to see them engaging in meaningful dialogue with the South in the first instance, prior to any other steps that might be taken." In a separate press briefing, Jacob Sullivan, the State Department's director of policy planning, echoed Clinton. "We have consistently said that we believe that North Korea has to take meaningful steps to improve inter-Korean relations, that North-South talks are an important opportunity for North Korea to demonstrate its sincerity through dialogue and to take tangible steps to improve North-South relations," Sullivan said. "We've also consistently said that we don't believe in talks just for the sake of talking," Sullivan said. "So the North has a clear sense of what it has to do, which is improve North-South relations and demonstrate a change in behavior, including by ceasing provocative actions, **taking steps toward irreversible denuclearization, and complying with its commitments under the 2005 joint statement and under the Security Council resolutions**, both 1718 and 1874." Sullivan dismissed Carter's claim that South Korea and the U.S. aggravated the food shortages in North Korea by suspending humanitarian food aid for political reasons. Sullivan said that the North Korean government should be held accountable for the food shortages. "With respect to the issue of food aid, what I would say is that everyone should remember who is responsible for the plight of the North Korean people, and that is the North Korean government itself," he said. (Hwang Doo-hyung, "Clinton Urges N. Korea to Mend Ties with S. Korea ahead of 6-Way Talks," April 29, 2011)

5/2/11 South Korean prosecutors say hackers in North Korea hacked into the computer network of the Nonghyup bank intended to paralyze its system. They didn't elaborate. They say the software used in the hacking was similar to that used in a 2009 attack against South Korean websites. South Korea also blamed North Korean hackers for that attack. Prosecutors found no evidence that the hackers were attempting to make money by hacking into the bank. (Associated Press, "Prosecutors: North Korean Hackers Responsible for Cyber Attack against South Korean Bank," May 2, 2011)

5/3/11 North Korea said it has handed over the remains of a British pilot shot down during the Korean War. KCNA said the remains of Desmond Fredrick William Hinton were given to British officials at Panmunjom. (Associated Press, "North Korea Hands over Remains of British Pilot Shot down during Korean War," May 4, 2011)

South Korea says its forces conducted live-fire artillery exercises on two islands near its sea border with North Korea, including one that came under attack from the North during a similar drill last year. (VOA News, "South Korea Stages Artillery Drill at Site of November Attack," May 3, 2011)

5/4/11

New satellite images and firsthand accounts from former political prisoners and former jailers in North Korea have confirmed the enormous scale and bleak conditions of the penal system in the secretive North, according to a report released today by Amnesty International. Former inmates at the political labor camp at Yodok, North Korea, said they were frequently tortured and had been forced to watch the executions of fellow prisoners, the report said, noting that the North's network of political prisons is estimated to hold 200,000 inmates. "North Korea can no longer deny the undeniable," said Sam Zarifi, the Asia Pacific director of Amnesty International. "For decades, the authorities have refused to admit to the existence of mass political prison camps. These are places out of sight of the rest of the world." The report says that almost all of the human rights protections that international law has tried to set up for the past 60 years "are ignored." After comparing recent satellite photos of prison camps with images from 10 years ago, Zarifi said, Amnesty International became concerned that the "prison camps appear to be growing." (Mark McDonald, "Report Says North Korea Widens Gulag" *New York Times*, May 5, 2011, p. A-6)

Scores of secret State Department cables obtained by WikiLeaks give an inside view of Washington's sometimes rocky relationship with Japan. The most recent cables are from February 2010, long before the earthquake and tsunami that devastated northeastern Japan on March 11 of this year. They also offer a detailed look at the United States' response to the political upheaval that had just upended Japan's long stagnant political landscape – the end of the Liberal Democratic Party's almost continuous rule for more than 50 years. After the Democratic Party of Japan won a landmark election in August 2009, American officials appeared uncertain in public how to react to the country's new leaders and played down the damage to the relationship as teething problems in a nation that had seen opposition parties take power only once before since 1955. But in private, American diplomats were delivering a much more pointed message to the government of Japan's new prime minister, Hatoyama Yukio. This is clearly seen in a classified cable dated October 2009 that describes a visit to Tokyo at that time by the assistant secretary of state for East Asian and Pacific affairs, Kurt M. Campbell. A few days earlier, Hatoyama had visited Beijing, where he publicly said that Japan needed to end what he characterized as its historic overdependence on the United States. According to the cable sent to Washington by the United States Embassy in Tokyo, Mr. Campbell warned a Japanese deputy minister of defense at the time, Nagashima Akihisa, that the remarks "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," the cable quotes Campbell as saying. He warned that such remarks "would create a crisis in U.S.-Japan relations." Though the cables give a distinctly American view of events at a volatile time, they also provide glimpses of how the end of the Liberal Democrats' long run in power had opened the floodgates in Japan for reconsidering the cold war-era security alliance with the United States. The cables show alarm and concern, in both the United States and Japan, about the Hatoyama government's often clumsy and erratic efforts to lessen Japan's postwar dependency on the United States and to flirt with closer ties to China. The cables reveal that, in private conversations, American officials repeatedly warned the Japanese to take China's military rise more seriously, though they avoided raising the issue in public for fear of angering China. They also played the China card

to get Japan to be more cooperative. An October 15, 2009, cable described a delegation of a dozen high-ranking United States officials – including diplomats, Pentagon officials and a Marine Corps major general – who tried to persuade Japan to honor an agreement to keep an American air base on the Japanese island of Okinawa. They described the history of the agreement, and promised to address the concerns of the Democratic Party, which had vowed during the election campaign to move the base, Marine Corps Air Station Futenma, off Okinawa. Then one of the Japanese officials asked whether the base could be moved to the United States territory of Guam. An American official bluntly replied that the United States needed to keep the base on Okinawa as one of three runways there that its forces would need to defend Japan from “the dramatic increase in China’s military capabilities,” the cable recounted. The cables also reveal the active efforts that American diplomats were making to reach out to the new government, as well as some setbacks, including an attempt to build personal ties between Hatoyama and President Obama. In a cable dated December 10, 2009, John V. Roos, the current American ambassador to Japan, told the Japanese land minister in blunt terms that the United States had “a problem with Hatoyama telling POTUS” – the president of the United States – “to trust him, but not following through.” This was an apparent reference to a summit meeting in Tokyo a month before, at which Hatoyama promised to find a quick solution to the Futenma base issue. (Hatoyama failed to make a final decision on the relocation of the base until shortly before he resigned the following May.) The land minister at the time, Maehara Seiji, a conservative with close ties to the United States, replied that “there were only two countries who enjoyed watching what was currently happening to the U.S.-Japan alliance – China and the D.P.R.K.,” referring to North Korea. The archive ended just as discontent with the Hatoyama government was also rising among Japanese voters. While his successor, Kan Naoto, the current prime minister, has put relations with the United States on a more even keel, the cables make clear that the Japanese saw the security alliance as needing a serious rethinking. In a cable dated Sept. 21, 2009, Yamaoka Kenji, the chairman of the Democrats’ Parliamentary Affairs Committee, is described as telling Campbell that a public discussion is needed in which the United States “lays out its overarching foreign and security policy and explains how it sees Japan fitting into it.” In other cables, Japan’s new leaders say frankly in private what they cannot say in public: that the current agreement to relocate the Futenma base to a site in northern Okinawa seems undoable because of local opposition. The cables also show American officials’ irritation as the new Japanese government failed to provide a clear message on where it wanted to put the base, or on how it wanted to reshape the alliance. The cables also revealed the suspicion, even hostility, toward Hatoyama and his new government from career Japanese bureaucrats who had long run Japan. In several conversations relayed in the cables, Japanese Foreign and Defense Ministry officials told the United States to “refrain from demonstrating flexibility too soon” when negotiating with the Democrats, while a top Japanese diplomat criticized Mr. Hatoyama as weak willed, ambiguous even by Japanese standards and “stupid.” One of the last cables in the batch, dated Feb. 2, 2010, suggested that Japan was starting to come around to the United States’ way of thinking. It described a lengthy meeting at which the United States vowed not to pull out of Asia, while urging Japan to carry more of its defense load. “The United States and Japan face the most challenging security environment in the history of the alliance,” the cable quotes Campbell as saying. His

Japanese counterpart, Umemoto Kazuyoshi, director general of North American affairs at the Foreign Ministry, replied that his government must do more so "the public better understands threats to Japan." (Martin Fackler, "Cables Detail Tenuous U.S.-Japanese Ties," *International Herald Tribune*, May 4, 2011, p. 4)

5/6/11

DPRK Foreign Ministry Disarmament and Peace Institute spokesman: "The south Korean authorities have recently taken an ill-boding move to peddle the theory of 'unification through absorption' in the international arena. 'Unifying the systems' in the reality of the Korean Peninsula precisely means 'unification through absorption.' It is well known that the present authorities of south Korea adopted 'unification through absorption' as a state policy from the outset and have persistently pursued it. They advocated 'no nuke, opening and 3000 dollars' right after they took office, called for instituting 'unification tax' last year and advanced the proposal for achieving 'three-phase unification.' All this was a policy for confrontation based on 'unification through absorption.' They invited ambassadors of neighboring countries to participate in the debate on unification in Seoul recently and staged a farce of advertising the above-said theory. ... The U.S. and Japan lost nearly 20 years due to their repeated DPRK policy failures under the miscalculation that the DPRK would collapse just as East European countries did. It was a hard reality that they compelled the DPRK to have access to nuclear weapons in the end. Under the situation where there is deep-rooted distrust between the north and the south and huge armed forces are standing in confrontation with each other, any attempt on the part of a side to swallow the other side up would inevitably spark a war. ... If they are truly interested in the reunification of the Korean Peninsula, they should pay attention to the proposal for achieving reunification by federal formula already solemnly clarified internally and externally by the June 15 joint declaration. ... The so-called "waiting strategy" pursued by them in inter-Korean relations is now going bankrupt. The international community is now aware that the tense situation on the peninsula reached the brink of war last year entirely because of the south Korean authorities' confrontation policy. It is now, therefore, becoming increasingly assertive for resuming the inter-Korean dialogue to defuse confrontation. Much upset by this, they are going busy to step up the debate on unification in a bid to create the impression that 'contingency' is imminent in the DPRK and 'unification under liberal democracy' led by them is drawing near.' Pressurized by the public at home and abroad to resume dialogue and negotiations, they are giving lip-service to 'open-hearted' dialogue but, in actuality, making it impossible for dialogue to open by craftily raising unreasonable preconditions unacceptable to the DPRK. It is a base scenario for them to justify their 'waiting strategy' and bar their allies from coming out for dialogue with the DPRK or feeling any need to give humanitarian aid to it. Those who study the reunification issue at home and abroad would be well advised to pay due attention to the truth about such debate on unification taking place in south Korea these days." (KCNA, "S. Korea's Theory of 'Unification through Absorption' Blasted," May 6, 2011)

5/7/11

The nuclear materials found in Libya in 2004 were highly likely to have been produced by North Korea, U.S.-funded broadcaster Voice of America said, citing an interview with Olli Heinonen, the former deputy director general of the International Atomic Energy Agency. He said uranium hexafluoride, or UF₆ — used in uranium enrichment

in Libya — was very likely to have been made by the communist state. Heinonen made the allegations based on North Korea's purchase of parts to develop nuclear capabilities, information provided by Pakistan and other pieces of evidence. To the question of whether there is any connection between the North and Syria with regard to nuclear technology developments, he said that that should be further investigated. He added that a nuclear reactor in Syria, which Israel destroyed, was very similar to North Korean reactors, indicating the possible connection between the two states. The former deputy director general also said there was a good chance that North Korea has uranium enrichment facilities in areas other than the Yongbyon nuclear complex, stressing that IAEA inspectors should visit those facilities, provided they are allowed to do so. Touching on the possibility of the North abandoning its nuclear programs, Heinonen said that the North could renounce them if the abandonment would lead to its economic development and security assurance. (Song Sang-ho, "North Korea Exported Nuclear Materials to Libya: VOA," *Korea Herald*, May 8, 2011)

Kim Sook, a career diplomat who had served as a former deputy director of the National Intelligence Service until last month, was named to head the South Korean U.N. mission, MOFAT said in a news release. Before joining the spy agency in 2009, Kim served as South Korea's top envoy to six-party talks aimed at ending North Korea's nuclear weapons program. (*Korea Times*, "Korea Replaces Envoys to China, U.N.," May 7, 2011)

The United States has received 101 North Korean refugees in the past few years under legislation to help improve human rights conditions in the reclusive state, statistics showed. The total breaks down to nine for 2006, 22 for 2007, 37 for 2008, 25 for 2009 and eight for 2010, according to figures released by the Office of Immigration Statistics at the Department of Homeland Security. (Yonhap, "U.S/ Takes 101 North Korean Refugees," *JoongAng Ilbo*, May 9, 2011)

5/8/11

Drawing condemnation from the United Nations Security Council for North Korea's uranium enrichment program is the most important task before reviving the six-way talks, a senior government official said. "The best thing before the six-party talks is to have the Security Council confirm the UEP's illegality. This is the most important task," the official told reporters at a seminar in Hongcheon, 102 kilometers east of Seoul. Without a clear denouncement from the UNSC, North Korea will continue to argue that its UEP is used only to generate electricity and not as a second way to build atomic bombs in addition to its existing plutonium-based program, the official said. "The six-party talks should remain as a useful tool for denuclearization, but without going through such a (denouncement) process with the Security Council, there are concerns about whether that will be possible," he said. South Korea and the United States are pushing for a presidential statement from the UNSC that clearly defines the UEP as a violation of U.N. resolutions and a 2005 six-party agreement that bans the North from running any type of nuclear facility. The allies have faced strong opposition from China, North Korea's last remaining ally and a veto-wielding permanent member of the Security Council, which insists that the issue be dealt with at the six-party negotiations instead. "This is not a subject for negotiation," the official said, referring to the Chinese approach. His remarks came amid reports that the UNSC will meet on May 17 to hear a

regular briefing from a U.N. committee in charge of implementing sanctions imposed on North Korea after its first nuclear test in 2006. Diplomatic sources in Seoul have said the meeting may be an opportunity for South Korea to push for UEP condemnation. "Everyone knows that the UEP is illegal. China knows and Russia knows," the official said. "It's just that if the Security Council were to make such a judgment, there are worries about how we're going to handle North Korea making another fuss." (Lee Haye-ah, "U.N. Condemnation of N.K. Uranium Crucial before Six-Way Talks: Official," Yonhap, May 8, 2011)

5/9/11

Cheong Wa Dae revealed on May 18 that it met with North Korean officials behind closed doors to explain President Lee Myung-bak's conditional offer to invite North Korean leader Kim Jong-il to the international Nuclear Security Summit in Seoul next year. During a visit to Berlin last week, Lee told reporters that he will invite Kim if the North shows it is willing to give up its nuclear weapons program. Cheong Wa Dae spokeswoman Kim Hee-jung said the offer "was conveyed" to the North Koreans and added, "We hope there will be more specific discussions between the South and the North if there is an opportunity." She declined to elaborate how the contact was made and stated simply that it was not made through civilian channels. She admitted Seoul is still waiting for North Korea's response. A senior government official said, "There are several channels whereby North and South Korea can communicate when necessary. The latest contact was made between working-level officials, not high-ranking ones." A Cheong Wa Dae official said, "President Lee wants to focus on the economy and inter-Korean relations during the remainder of his term." Sources in the ruling Grand National Party say Lee is betting everything on a radical improvement in relations with the North. Lee is betting on improved cross-border ties because their deterioration not only has a negative impact on the country's economy but could also work against the ruling GNP in the next year's general and presidential elections. And after the general elections in April next year, it will be more difficult to find opportunities to engage the North in dialogue since the administration enters its lame-duck phase. That is why Cheong Wa Dae appears to be seeking a major breakthrough before then. The government has been trying to bring about an inter-Korean summit even after negotiations broke down early last year, according to government officials. One high-ranking government official said a communication link still exists between Presidential Chief of Staff Yim Tae-hee and Kim Yang-gon, the director of the United Front Department at the North Korean Workers Party. "National Intelligence Service Director Won Sei-hoon is also making secret contacts with North Korean security officials." Locations for these contacts are believed to be China, Singapore and Malaysia. But the two sides are apparently clashing over the South's insistence on an apology for last year's attacks on the Navy corvette Cheonan and Yeonpyeong Island. No matter how urgent his need for talks with North Korea may be, Lee does not intend to pursue further dialogue if those issues are not resolved. A Cheong Wa Dae official said, "President Lee's Berlin proposal can be seen as another message to Kim that we will offer our utmost support if he makes a decision." (*Chosun Ilbo*, "Lee Bets on Inter-Korean Issues," May 19, 2011) NDC statement: "The moves of the Lee Myung Bak group of traitors to escalate confrontation with the DPRK have reached an extreme phase. The group is doing sordid things only while escalating the accusation of the headquarters of our revolution and the sacred socialist system, reminding one of a

puppy knowing no fear of the tiger, the statement notes, and goes on: The Lee Myung Bak group of traitors fakes up false stories and whitewashes its misrule, undermining national reconciliation and unity and deliberately laying a hurdle in the way of peace and prosperity. It is impertinently talking about what it called 'true intention' of the 'Berlin proposal,' crying out for somebody's dismantlement of nukes and apology for no reason. It is busy pulling up the DPRK under the pretext of false case and over its legitimate measures for self-defense, driving the inter-Korean relations to uncontrollable catastrophe. The group went the lengths of malignantly slandering the DPRK's magnanimous proposal for bringing about a new phase of reconciliation, cooperation, peace and reunification through wide-ranging dialogue and negotiations without any pre-conditions in a bid to create impression among the domestic and foreign public that its delaying tactics would help "contingency" occur as it desires. During his recent trip to Japan he made no scruple of taking issue with the DPRK's nuclear issue and back in Seoul he even said that he would try to persuade someone with "affection", the statement said, and continued: It was against this backdrop that the puppet military warmongers hurled a great number of soldiers into holding firing exercises in ranges in Yangju and Incheon Kyonggi Province from May 23. And anti-DPRK conservative forces of south Korea during their foreign trip described the May 18 Kwangju massacre as "an act done by a special unit of the north" though it was perpetrated by the Chun Doo Hwan military fascists. The statement clarified internally and externally the following principled stand of the DPRK: 1. **The army and people of the DPRK will never deal with traitor Lee Myung Bak and his clan.** It is our stand to let them wait for 'contingency' as long as they please according to their 'waiting strategy,' sticking to their 'theory of principle' on the basis of their own judgment till they face their self-destruction. 2. The DPRK will launch a nationwide offensive to put an end to the moves of the Lee group to escalate the confrontation with the DPRK. The all-out offensive of the army and people of the DPRK is a merciless one. The trend of the times will prove that hot waves for genuine democracy will rage in the base of the group. 3. The army and people of the DPRK for the present will take practical actions to cope with the confrontation racket of the group. As the group put a check bar on reconciliation and cooperation, denying dialogue and contacts, **the Korean People's Army will cut off the north-south military communication in the area along the east coast which has been maintained to provide a military guarantee for the north-south passage and close the communication liaison office in Mt. Kumgang area as the first step.** As already warned by the DPRK, **it will take a physical action without any notice any time against any target to cope with the anti-DPRK psychological warfare** persistently perpetrated by the group with a foolish aim. (KCNA, "DPRK Will Not Deal with Lee Myung Bak: Spokesman for NDC of DPRK," May 30, 2011) North Korea's powerful National Defense Commission claimed that South Korea proposed a series of summit meetings with the communist nation when the sides held secret talks in Beijing on May 9 and that the South proposed holding three summit meetings -- first at the border village of Panmunjom in late June, second in Pyongyang in August and third in Seoul in March next year on the sidelines of an international security summit. The South also proposed that the sides hold Cabinet-level talks in late May to lay the groundwork for summit talks, the North's commission said via KCNA. The North said the secret meeting ended without agreement because the South repeated its demand that the North apologize for last year's two deadly

attacks -- the March sinking of a warship and the November shelling of a border island -- saying the issue is "mountains to be crossed with wisdom" to improve inter-Korean ties. "The DPRK side clarified its steadfast stand that such summit talks cannot take place as long as the South side insists on the hostile policy towards the DPRK, persistently claiming that the North should 'dismantle its nukes first' and calling for 'an apology for the two cases," the North said. (Yonhap, "N. Korea: S. Korea Proposed Inter-Korean Summits during Secret Meeting," June 1, 2011) KCNA: "The Lee Myung Bak group of traitors let a spokesman for Chongwadae make an official announcement that the 'true intention' reflected in Lee's 'Berlin proposal' was conveyed to the DPRK side at a secret contact made between the north and the south of Korea in Beijing. It had been already disclosed before the world that it was a sheer lie. Much upset by the first announcement made by the DPRK, the group of traitors falsified the fact, claiming that there was a secret contact with the DPRK but it was a contact not aimed to have 'summit talks' but wrest 'the north's admittance and apology' for 'the Cheonan' warship sinking case and the Yeonphyeong Island shelling incident. It went the lengths of denying all facts that had been brought to light and negating and distorting them without any ground and sidestepping all issues. Not content with it, the group orchestrated a new farce pulling up the DPRK with another lie that the 'accounts' of the secret contact were misrepresented by the spokesman for the National Defense Commission of the DPRK. The delegate of the Policy Department of the NDC who participated in the contact gave the following answers to the questions raised by KCNA reporter on [June 9] in this regard: As already opened to the public, the group of traitors came out to the north-south secret contact, prompted by a foolish intention to shirk the responsibility for the total collapse of the inter-Korean relations. By origin, the DPRK was well aware of the group's inveterate rejection of fellow countrymen and its true nature of confrontation hysteria. But when the south side repeatedly proposed having a secret contact while clarifying its stand that 'it would no longer pick up the above-said two cases,' the DPRK responded to it with the thought that it would not be bad to finally confirm, availing itself of the opportunity, whether it has a will to improve the inter-Korean relations and jointly pave the way for independent reunification, peace and prosperity or not. But the attitude of the group manifested in the course of the secret contact proved that it sought only one sinister aim: to evade the responsibility for having driven the inter-Korean relations to collapse and create an environment favorable for 'presidential' and 'national assembly' elections to be held next year, indifferent to the requirements of the era and the desire of the fellow countrymen for national reconciliation, cooperation, peace and detente. A typical example of its moves was the perfidy committed by the group. It behaved so recklessly as opening to the public before any others the misrepresented accounts of the secret contact. Not content with this, the group played jugglery of persistently evading the blame for what it said and did against the nation in the course of the contact and denying them. We would like to cite specific facts to prove once again how nonsensically the group of traitors uttered. To begin with, the group's assertion that the already disclosed contact was not aimed to open 'summit talks' was a sheer lie. We would like to quote what Kim Chon-sik, policy room chief of the puppet Ministry of Unification, uttered at the contact. As soon as he met us, he hyped the 'meaning' of the recent contact, reminding us that the contact was provided by the direct instruction and 'approval' of the 'president' for the purpose of opening 'summit talks.' He noted

that Hyon In-thaek, minister of Unification, was directly supervising the whole course of the contact and reporting about it to Chongwadae through an exclusive line. Kim Chon-sik emphasized the fact that the contact was different from the secret contacts the secretariat of the 'president' and the Intelligence Service had, independent of the above-said ministry in the past. He repeatedly requested the DPRK side to keep all the accounts of the contact in secrecy till the contact proved successful as the contact was treated as a top secret known only to Lee Myung-bak, Hyon In-thaek, the chief of the Intelligence Service, the chief of the Secretariat of the President and those who were dispatched to it and if this was known to the south Korean society, it would be very bad because of its peculiarities. Next, the south side's insistence that it neither put forth any compromise proposal regarding 'apology' nor begged for it was a shameful excuse. This moment, too, we clearly remember the words of the south side that the above-said two cases are the two "mountains to be crossed with wisdom" for improving the inter-Korean relations, describing them as an instruction from Hyon. When it raised the issue of 'apology,' while talking about 'feelings of the south' towards the 'Cheonan' warship case only to meet a prompt rebuff from our side at the contact, **the south side yielded a step and asked the DPRK side to make even a compromise proposal which cannot be interpreted as "apology" when viewed by the north side but viewed by the south side as 'apology.'** Finding this not workable, the south side said if the north side expresses 'regret' at least, the south side would accept it as 'apology' and roll back its policy of confrontation pursued so far and even the 'summit talks' could be rapidly pushed forward. Our side explicitly told the south side as follows: To wrest 'apology' from us for the case we had nothing to do with and for the exercise of its legitimate sovereignty is an insult to the DPRK and a manifestation of the south side's sinister intention to escalate the confrontation with the DPRK. You'd better go back to Seoul at once as such secret contact is unnecessary. The group was so pitiful and cowardly as to ask the DPRK side to 'make a clear concession.' Next, the south side's assertion that it never proposed 'summit talks' according to schedule nor can it make its proposal is far-fetched sophism. As regards this, Kim Thae-hyo, presidential secretary for Foreign Strategy of Chongwadae secretariat, might clearly say about it. When the contact came to a rupture without reaching any agreement between both sides due to the south side's unreasonable insistence quite contrary to the principled and logical assertion of our side, Kim Thae-hyo produced a program he claimed was worked out in reflection of the 'intention of the 'president',' saying the 'summit talks' should be opened without fail and the present authorities are pressed for time. This was the timetable for holding secret contact once again in Malaysia and then opening ministerial talks before having 'summit talks' at Panmunjom in June, in Pyongyang in August and Seoul in March next year when the 'summit for nuclear safety' would be held. The DPRK side retorted the south side's assertion, saying what is the use of having such timetable under the present situation where no agreement has been reached. Kim Thae-hyo must remember this well. Can the south side deny the truth, insisting it never made such proposal though it unilaterally produced the above-said timetable that specified the dates and venues of such 'summit talks'? It is ridiculous for the group to plead as nonsense the fact that enveloped money was offered only to be shamed. This fact can be confirmed through Kim Thae-hyo, presidential secretary for external strategy of the Chongwadae Secretariat, and Hong Chang-hwa, department director of the Intelligence Service, **who were playing the leading role of the**

enveloped money case. When the contact was on the verge of a rupture, Hong Chang Hwa took out enveloped money from a suitcase at the order of Kim Thae Hyo, who was going to give it to us. We rejected it at once, and Kim blushed and got irritated. Hong hurriedly put the money into the suitcase in an awkward movement and left without exchanging proper parting words with our delegates. At first the group of traitors asserted that there was no case of enveloped money. But now it distorts the fact by claiming that the money was for expenses to be paid traditionally by the sponsor of contact rather than "reward" for leading the contact to 'summit talks.' **If it is usage for a party sponsoring any talks to pay necessary expenses as asserted by the south side, why didn't the south side present the enveloped money at the time of the two preceding rounds of contact?** The south side was well aware that the DPRK embassy provided lodging and boarding and vehicles. Then, was it going to pay the embassy the said enveloped money for living expenses during its stay? Its far-fetched assertion has gone far. The money envelope case will be recorded as another behind-the-scene story in the history of the north-south relations as it was a brainchild of such feeble-minded traitor as Lee Myung-bak and his top-class servants who are accustomed to assessing everything based on the almighty dollar idea. The DPRK already knew that the group of traitors is made up of master-hands at fabrication. The reason why the DPRK recounts on the secret contact is that the group is now faking up new stories, not content with falsifying the truth. Lee Myung-bak is now letting puppet Prime Minister Kim Hwang-sik who has been kept in the dark about the contact, far from being involved in it say this or that. In the meantime, puppet Minister of Unification Hyon In-thaek who engineered the contact has had hard time, distorting the truth and covering up his true colors as a vicious mastermind in an official appearance. The south Korean authorities are keeping the participants in the contact in complete isolation from the outer world, holding them incommunicado. And Lee Myung-bak, prime mover of the contact, is keeping mum about it in a bid to prevent the greater effect of the case, out of a fear that 'any word out of the president might trigger strong earthquake or tsunami at the moment.' We want to tell those who are anxious to know about the contact. You had better directly ask Lee Myung-bak who instructed officials to hold contact and "approved" it. Then you will understand everything. And please ask Hyon In-thaek who masterminded the whole course of the contact behind the scene. Then you will have the whole story of it. It would be better to inquire Kim Thae-hyo, Kim Chon-sik and Hong Chang-hwa, participants in the contact, for more details. Then everything will become clear. Should they continue to decline to reveal the truth and deceive their fellow countrymen and hatch plots, the DPRK will have no other choice but to make public the tape recording the whole course of the contact before the world. The reason why the DPRK takes such measures is that the north-south relations are the most important issue common to the nation and that those measures are aimed to save the policy for fellow countrymen from being abused by some selfish traitors and to make it completely serve the interests of the popular masses, the maker of the policy. Time will irrefutably prove the nature of the Lee Myung-bak group of traitors as betes noires who had been so brazenfaced as to make the mockery of the nation through falsity and deception, being keen on escalating confrontation with fellow countrymen. The Lee Myung-bak group of traitors would be well advised to make a clean breast of the contact before it becomes too late." (KCNA, "Lie about Beijing Secret Contact Spread by Lee Myung-bak Group Refuted," June 9,

2011) Pak Chul, a brigadier general who is believed to be the second-highest-ranking official at the policy department of the North's National Defense Commission after Maj. Gen. Pak Rim-su, headed up the delegation to discuss a summit in May. "This is the first time that Pak Chul has headed a North Korean delegation," said the South Korean government source, adding that this confirms the administration's long-held belief that the North's military is in charge of dealing with issues relating to South Korea. Along with Pak Rim-su and Col. Ri Son-gwon, Pak Chul is considered to be among the top three officials at the National Defense Commission, headed by North Korean leader Kim Jong-il. "Ri headed the North Korean delegation during the working-level military talks back in February, but then suddenly decided to break off the talks," the source said. "This time, the policy department again headed the secret meeting and unexpectedly halted the contacts." (*Chosun Ilbo*, "N. Korean Military Growing in Influence," June 16, 2011)

President Lee Myung-bak said that he was willing to invite North Korean leader Kim Jong-il to the world's largest nuclear summit to be held in Seoul next year if Pyongyang "firmly agrees" with the international community to denuclearize. "If the North firmly agrees on denuclearization, I plan to invite Kim Jong-il to the second Nuclear Security Summit next spring," Lee said during a joint press conference with German Chancellor Angela Merkel here in the German capital. Lee's proposal was a step forward from what he said a year ago at the first Nuclear Security Summit initiated by U.S. President Barack Obama in Washington, adding greater pressure to the isolated Kim regime. Lee said back then that he could invite Kim to the next gathering of some 50 world leaders in Seoul in April 2012 if the North rejoined the Nuclear Nonproliferation Treaty and showed a clear commitment to denuclearization. The latest conditional invitation, however, does not require the North's return to the NPT, Lee's secretary for external strategy Kim Tae-hyo said. "It would be necessary for the North to clarify its position through the proposed inter-Korean talks on denuclearization," Kim told reporters. (Kim So-hyun, "Lee Makes Conditional Invitation to N.K. Leader to Nuclear Summit," *Korea Herald*, May 10, 2011)

Vice UnifMin Um op-ed: "North Korea Freedom Week was commemorated two weeks ago in Seoul. Every year, the North Korean Freedom Coalition, led by Dr. Suzanne Scholte, sponsors various events throughout the week to urge North Korean authorities to improve human rights conditions in their country and to make the international community more aware of the issue. This year, a wide range of events were held, including an exhibition of photos revealing the truth about North Korean camps for political prisoners and public forums to advocate the need for the enactment of a North Korean human rights act. ...The North Korean Human Rights Act now pending in the South Korean National Assembly contains several important points. First, the act proposes to establish a North Korean human rights foundation. The foundation would be responsible for compiling a survey of human rights conditions in the North, providing assistance to human rights groups and promoting various activities at home and abroad to address the issue. The foundation will thereby play a central role in improving human rights conditions in North Korea. Second, the act would facilitate the establishment of a North Korean human rights archive. The archive will study, collect, record and preserve human rights violations committed in

North Korea, which would be used as evidence in the future. West Germany also set up a similar institution, the Salzgitter Center, to collect and record human rights violations that took place in East Germany. Third, the act appoints an ambassador-at-large for North Korean human rights in order to promote close cooperation and consultation with the international community on the issue. Lastly, the act calls for greater transparency in the distribution of humanitarian aid within North Korea. The act prescribes that when humanitarian aid is provided to the North, the delivery, distribution and monitoring of such aid must meet international standards and the aid must reach those in need. When passed, the North Korea Human Rights Act will certainly improve human rights conditions in North Korea and increase transparency in aid distribution. The act would also help build more sound inter-Korean relations and promote the very values we want to uphold in a unified Korea. (Um Jong-sik, "Pass the Human Rights Act," *JoongAng Ilbo*, May 9, 2011)

5/10/11

The U.N. says hunger is driving some North Koreans to eat more wild grass, and humanitarians are pressuring the U.S. and South Korea to send food. But South Koreans who study the North say the crisis has been overstated. Televangelist Franklin Graham, who has warned of famine and joined calls for more food aid, arrived in the North Korean capital to discuss possible contributions from a Christian charity. After a visit there last month, former U.S. President Jimmy Carter blasted Washington and Seoul on the issue. "One of the most important human rights is to have food to eat, and for South Korea and the U.S. and others to deliberately withhold food aid to the North Korean people is really a human rights violation," Carter said. "It is an exaggeration to say there is a looming crisis," said Kwon Tae-jin, a South Korean expert on North Korean food and agriculture. South Korea's intelligence agency estimates that the North's food production may actually have increased last year to 5.11 million metric tons (5.6 million tons), about 100,000 tons more than 2009. The agency head reportedly released the figures to a closed parliamentary committee. If the South Korean intelligence figures are correct, the difference between the North's supply and demand is not large. Kwon, the expert on North Korean agriculture, said the North's total need might be about 5.3 million metric tons (5.8 million tons) – some of which could come from imports. "They won't have a famine," Kwon said. Many collective farms in the North underreport food production to the central government so they can sell extra food to raise money for fertilizer and farm equipment, *Daily NK* said in a report posted online. There also are suspicions Pyongyang is exaggerating shortages and seeking food donations in part so it can devote more resources to its campaign to build a prosperous society during the 2012 centennial of the birth of North Korea founder Kim Il Sung. If South Korea "prefers to let Koreans in the North starve, that is deeply regrettable, and the United States should at least urge them to change their policy," Morton Abramowitz, a former U.S. ambassador now with The Century Foundation think tank, wrote last month. "If they refuse, the U.S. should abandon its support of the South on this issue." (Foster Klug, "Debate Rages about Food Aid to North Korea," Associated Press, May 10, 2011)

President Lee Myung-bak on met with four leaders of the 1990 German reunification in Berlin to share experiences and advice in preparing for South Korea's reunification with North Korea: Lothar de Maiziere, the last prime minister of East Germany;

Wolfgang Schauble, former West German minister of interior who signed the reunification treaty in 1990; Horst Teltschick, who served as foreign affairs aide to then German Chancellor Helmut Kohl; and Jorg Schonbohm, who supervised the absorption of the East German army into the Federal German armed forces as commander of the East German region in 1990. The German experts said that various exchanges between the East and West since the 1970s, combined with the Helsinki Process of debates and dialogue that led to accords aimed at improving relations between the Communist bloc and the West, supported the German reunification. "The experts also said that what was most important in achieving reunification was the two sides' shared faith that they are one people," Lee's aide for external strategy Kim Tae-hyo told reporters. Referring to how Germany built up diplomatic knowhow for decades through manifold bilateral and multilateral diplomacy, they advised Seoul to set a clear goal and assure neighboring countries that reunification would not hurt regional order. "They noted that Germany could prepare for reunification by attaining strong security through its alliance with the U.S. and continuing cooperation and dialogue with the former Soviet Union, the biggest barrier to reunification," Kim said. "They advised that (South) Korea should seek closer cooperation with China, like how West Germany did with the Soviet Union, firm security is essential for reunification." The German experts also emphasized that financial preparation was also important, noting how Germans struggled to economically integrate the East despite having paid unification taxes for the past 20 years, according to Kim. Lee said during an interview with German newspaper *Frankfurter Allgemeine Zeitung* published today that he expects Pyongyang to seek dialogue with Seoul as the Kim Jong-il regime wants stability as it undergoes a rather abrupt third-generation power transfer to his son Jong-un. "North Korea is in the beginning of a third-generational power succession, so they want stability," Lee said. "Therefore, they're expected to seek dialogue (with the South). But even if the power transfer takes place as planned, I believe Kim Jong-il will still have control over the country for a while." Lee also said in the interview that the South Korean army's plan to establish a military hotline with the Chinese was aimed at maintaining peace in Northeast Asia. "(South) Korea has built on friendly relations with Japan for a long time and close economic ties with China," he said. "Diplomatically, China is Korea's strategic cooperation partner. The hotline (plan) is not because of North Korea. (Seoul's) relations with China will expand in military terms as well." (Kim So-hyun, "Lee Discusses N. Korea with Leaders of German Unification," *Korea Herald*, May 10, 2011)

5/?/11

According to Chinese customs data, China's trade with the DPRK hit a record \$3.5 billion in 2010, up 29 per cent from 2009. DPRK exports to China rose 51% to \$1.2 billion while imports rose 21% to \$2.3 billion. (Scott Snyder, "Can Inter-Korean Dialogue Revive the Six-Party Talks," *Comparative Connections*, May 2011) Inter-Korean trade dropped only slightly in 2010 to \$1.9 billion, with exports \$427 billion in the second half down from \$439 in the first half and imports down to \$491 in the second half from \$553 million. According to data released by the South Korean Ministry of Unification, ordinary trade between South and North Korea declined by 53.9 percent in 2010 compared to 2009, down from \$256 million to \$118 million. Processing-on-commission trade also saw a decrease of 22.4 percent during the same period from \$410 million in 2009 to \$318 million last year. On the other hand, as the

Kaesong industrial complex in the North was left as the last remnant of inter-Korean business ties, trade passing through the complex saw a heavy increase last year. The total amount of trade through the Kaesong complex amounted to \$1.4 billion in 2010, a 53.3 percent jump compared to \$941 million in 2009. Along with trade, South Korea had cut off nearly all humanitarian aid to the North, resulting in numbers from last year dwindling to a third of what had been given to North Korea in 2008. In 2008, a total of 67 billion won (\$60 million) worth of humanitarian aid was sent to North Korea while it plummeted to 30 billion won last year. Transportation between the two Koreas also showed a clear decline, with no flights made last year, compared to 11 in 2009 and 64 the year before. A total of 1,432 ships made the trip between South and North Korea last year while 2,577 did so in 2009. But the number of South Koreans traveling to the Kaesong industrial complex increased slightly, a 7.9 percent increase to 130,119 persons last year from 120,616 people the previous year. This is because of the increase in the number of South Korean commuters due to the North's stricter limit of South Koreans staying inside the North's complex. This year, a daily average of more than 600 South Korean workers are currently staying at the Kaesong complex, up from the 500 level in the past several months. The increase reflects a reduction in military tensions between the two Koreas, officials at the Unification Ministry said. Seoul slashed the number of South Korean workers staying at the Kaesong complex to as low as 200 a day following the artillery barrage last November. The number jumped to around 500 in early April. More than 46,000 North Koreans work for about 120 South Korean firms operating in the industrial zone to produce clothes, utensils, watches and other goods. Experts said the May 24 effect coming from Seoul's hard pressure on Pyongyang can be estimated at around \$3 billion a year. That means the North suffered that amount in losses in cash flow due to the suspension of economic cooperation and processing-on-commission trade with South Korea. A senior government official said that the Seoul government has fined North Korea some \$3 billion annually, saying the North cannot sustain itself any longer if it commits acts worthy of fines continuously. The official said that the North's launching of a peace offensive from the beginning of the year indicates that the South Korean government's policy toward North Korea is bearing fruit. A recent report says North Korea's exports of mineral resources jumped 17-fold in a decade with its outbound shipment of coal and iron ore leading growth. According to Radio Free Asia (RFA), the communist state's exports of mineral resources reached \$860 million last year, compared with some \$50 million in 2002. Citing data compiled by the Korea Trade-Investment Promotion Agency, the RFA said exports of such minerals as coal and iron ore accounted for 63 percent of its total exports to China. In the first quarter of the year, the North earned around \$154 million by exporting coal to the neighboring country, compared with \$9.68 million seen a year earlier. North Korea's mineral reserves are believed to be among the largest in the world, worth some 7,000 trillion won, based on 2008 prices, according to an earlier report by the Unification Ministry. (Yonhap, "S. Korea's May 24 Measures on Cheonan Warship Sinking Remain Effective," *North Korea Newsletter*, No. 158, May 19, 2011)

5/9-10/11

U.S. Secretary of State Hillary Clinton said she had lengthy discussions with her Chinese counterparts on ways to prevent North Korea's nuclear weapons development and further provocations by the reclusive communist state. "We discussed both of

those at length, as you would certainly expect, because they are serious problems," Clinton said in an interview with China's Caixin Media Co. when asked if she discussed North Korea and Iran during the two-day Strategic and Economic Dialogue with China. Clinton and Treasury Secretary Timothy Geithner represented the U.S. side at the annual high-level Sino-U.S. dialogue, also attended by China's Vice Premier Wang Qishan and State Counselor Dai Bingguo. "We are particularly focused on working with China to prevent further provocation and nuclear weapon development in North Korea," Clinton said. "That would be extremely dangerous. So we work hard on it and we are committed to the same goal, and we must make progress together." Clinton was discussing North Korea's shelling of a South Korean front-line island and torpedoing of a South Korean warship that killed 50 people last year. (Yonhap, "U.S. China Discussed in Length N. Korea Nuke: Clinton," *Korea Times*, May 12, 2011)

5/11/11

Committee for the Peaceful Reunification of Korea spokesman: "On May 8 Lee at the round-table talks with compatriots and a press conference held during his junket to Germany, the first leg of his European tour, blustered that the north's nukes are obstructive to unification, urging it to "dismantle" them, and asserted that it should "apologize" for the warship sinking case and the Yonphyong Island shelling case. He went the lengths of crying out for "the punishment of what he called "provocation" as regards even the anti-DPRK conspiratorial case orchestrated by him in the past. He groundlessly pointed an accusing finger at the DPRK, finding fault with its system. He also let loose a string of foolish invectives inciting despicable confrontation of systems, talking about the pull-down of the Berlin Wall. The spokesman branded this as a blatant provocation against the system and dignity of the DPRK and an intolerable mockery of the public opinion at home and abroad and the DPRK's positive efforts for dialogue. He went on: Lee, not content with kicking off the anti-reunification confrontation racket in south Korea, made such reckless remarks overseas. This was nothing but the last-ditch effort to chill the ever-growing atmosphere of dialogue, ward off the criticism of him for the collapse of the inter-Korean relations and the failure of his policy toward the north and justify his anti-DPRK nuclear racket and the moves to escalate the confrontation with it. ... Great irony is that Lee, a stooge serving the U.S. in its moves for a nuclear war, is going busy with hectic diplomacy over the issue of opening what he called a nuclear summit in south Korea, the world's biggest advanced base for a nuclear war and largest nuclear arsenal. The world people still remember well that he declared the policy of toeing the U.S. and the policy of confrontation with fellow countrymen when he was coming to power and blustered that it was all right not to have inter-Korean dialogue during the tenure of his office. The DPRK cannot but seriously consider its stance maintained so far as it has become clear now that the mean declaration made by Lee was put into practice and he is set to stand in confrontation to the last. It is quite self-evident that nothing can be expected from a dialogue with such a man keen on confrontation with fellow countrymen, blinded by a foolish dream. The DPRK will never pardon those hurting its dignity and system and making a mockery of them but take merciless and strong counter-actions against them. The confrontation of the systems will only lead to a war. If a war breaks out on this land, it will be the Korean nation's just and sacred patriotic war for national reunification. Lee would be well advised to behave himself, properly understanding the disposition of

the DPRK and the reality." (KCNA, "CPRK Denounces Lee Myung-bak's Provocative Remarks against DPRK," May 12, 2011)

5/12/11 The United States point man on North Korean human rights is seeking a visit to the communist state this month amid ongoing food shortages there, a diplomatic source said. The source, however, did not say whether Ambassador Robert King, special envoy for North Korean human rights issues, has been granted access to Pyongyang or whether he would discuss the possibility of the U.S. resuming food aid if and when he travels there. "King is pushing for a trip to see how serious the shortages are, but other details concerning the trip remain unclear," the source here said. (Yonhap, "U.S. Envoy on N. Korean Human Rights Seeking Visit to Pyongyang," May 12, 2011)

5/14/11 North Korea and Iran appear to have been regularly exchanging ballistic missile technology in violation of U.N. sanctions, according to a confidential United Nations report obtained by Reuters. The report said that the illicit technology transfers had "trans-shipment through a neighbouring third country." That country was China, several diplomats told Reuters. "Prohibited ballistic missile-related items are suspected to have been transferred between the Democratic People's Republic of Korea (North Korea) and the Islamic Republic of Iran on regular scheduled flights of Air Koryo and Iran Air," the report said. (Louis Charbonneau, "N. Korea, Iran Trade Missile Technology," Reuters, May 14, 2011) North Korea remains "actively engaged" in exporting ballistic missiles, components and technology to numerous customers in the Middle East and South Asia in violation of United Nations sanctions, a U.N. panel said in a new report. The seven-member panel said that North Korea has also completed – or is about to complete – construction of a second launch site on the country's west coast close to Tongchangdong for long-range rockets. It said the installations appear "bigger and more sophisticated" than the original site on the east coast used for the 1998, 2006 and 2009 Taepodong missile launches. "In an effort to get hard currency and advance its own programs, the country has been actively engaged in the export of complete (missile) systems, components and technology to numerous customers in the Middle East and South Asia," the panel said. During a military parade last October 10, it said, North Korea displayed its new Musudan intermediate-range missile and a new warhead for its Nodong missile "which presented a strong design similarity with the Iranian Shahab-3 triconic warhead." The panel's 81-page report was sent to the 15 Security Council members for their approval by Tuesday morning. If all countries agree, it will be released. "The country has also continued to defy the bans on imports and exports of nuclear-related items, of conventional arms and of luxury goods," the report said. Although U.N. sanctions haven't stopped the North's nuclear programs and arms trading, the panel said, "they have made it more difficult and expensive for the country to pursue these." (Associated Press, "U.N. Experts Say North Korea Is Exporting Missiles to Mideast and South Asia Countries," May 16, 2011)

5/16/11 There were 46,420 North Korean workers at the industrial park at the end of February, up 11 percent from 42,415 a year ago, according to the Unification Ministry on Sunday. This represents a monthly increase of 334. The industrial park's output rose from \$256.47 million in 2009 to \$323.32 million last year. A ministry official described the rise as "strange." "Though the number of North Korean workers at the complex has

steadily increased since it went into operation in 2005, that couldn't have been the case last year given the circumstances," he said. The number of workers had risen in the past because some 20 to 30 new South Korean firms started operating there every year. But the government banned new investment in Kaesong as part of sanctions after the attacks last year, and no South Korean companies have set up shop there since. . "North Korean worker wages are far more competitive than those in China and Southeast Asia," said a staffer with an apparel firm at the complex. "At present we employ 1,200 North Korean workers, and the more we employ, the more profit we can make." Lee Im-dong, former secretary-general of the businesses association at the complex, said, "We have asked the North Korean authorities for additional manpower of 20,000. As far as the Kaesong Industrial Complex is concerned, our interests completely coincide with those of North Korea." (*Chosun Ilbo*, "N. Korea Keeps Sending Mopre Workers to Kaesong Complex," May 17, 2011)

5/17/11

Bosworth: "**Q:** What is Washington's stance regarding President Lee Myung-bak's proposal last week, of a conditional invitation for North Korea to attend next year's Nuclear Security Summit? **BOSWORTH:** I think we are in favor of that. It doesn't seem that the North Koreans are very enthusiastic but we'll see. **Q:** Are you agreed on what the gestures should be from North Korea? South Korea says it wants a concrete gesture of sincerity. Are you agreed on what that gesture should be? **BOSWORTH:** I think it is better if we allow the South Koreans to get into that question. It is not something that the U.S. is in a position to interpret. **Q:** Will Ambassador Robert King be going to North Korea, and if so, when? **BOSWORTH:** We will be making a decision on that in the next few days and it will be announced from Washington. We had a good discussion today on the North Korean request for food assistance, and I think we have largely reached a common view on that. And we will be addressing that as we move ahead. **Q:** Mr. Ambassador, there are reports that there are differences between the U.S. and the ROK on the topic of food aid to North Korea. Could you tell us whether or not there is any basis to these reports, whether or not there is any... **BOSWORTH:** I am not going to get into the respective positions of the two countries, Don, but I think we have a very strong common view of how to proceed in the future. One more question, and then I am going to have to... **Q:** What do you think about China's efforts to delay the expert panels' reports in the United States Congress [sic]. ... **BOSWORTH:** You mean UEP? Well, I think our position on UEP has been very clear and consistent from the very beginning. We believe that this is an activity on the part of the North Koreans which is illegal under various UN Security Council Resolutions, and is contrary to various undertakings that we have received from them and that other countries have received from them. So, on the basic question of the program, we don't think there is any ambiguity and we certainly have no ambivalence on our side." (Special Representative for North Korea Policy Stephen W. Bosworth, Remarks at Ministry of Foreign Affairs and Trade of the Republic of Korea, May 17, 2011)

China blocked the release of a report by U.N. experts accusing North Korea of violating U.N. sanctions that ban the export and import of ballistic missile and nuclear-related items as well as conventional arms and luxury goods. China's U.N. Ambassador Li Baodong told reporters after a closed-door meeting of the Security Council to discuss implementation of two rounds of sanctions against the North that Beijing is

“still studying that report.” The panel said prohibited ballistic missile-related items are suspected to have been transferred between North Korea and Iran on regularly scheduled flights of Air Koryo and Iran Air, with trans-shipment through a third country that diplomats identified as China. At a news conference May 18, Assistant Foreign Minister Hu Zhengyue denied that such shipments to Iran and other Middle East countries came through China. “I completely deny such reports,” he said. The panel said North Korea should be “compelled” to abandon its uranium enrichment program, saying it believes the government’s aim in starting it was primarily for military purposes. North Korea should also abandon construction of a new light water reactor, which it is using as justification for the uranium enrichment program, it said. (Associated Press, “China Blocks Release of Report by U.N. Experts on N. Korea Sanctions Violations,” May 18, 2011)

While stalling for time may have worked in the past, North Korea might have to come up with a different tactic this time as the South remains firm not to do it any favors until proper measures are taken in response to the casualties last year. Turning a blind eye to the growing international mood to make peace with the communist state, the Seoul government made clear it will continue to block all shipments going into Pyongyang to keep the country isolated. “At this time, we cannot say when these measures [against North Korea] will be terminated,” an official at the Unification Ministry here said. Another unnamed ministry official said the Seoul government “needs to see the North take some kind of action” that guarantees such attacks will not be conducted in the future.

“Aside from the actual effect, these measures have a symbolic meaning of showing the North it can no longer get its way by buying time,” he said. “Time is not on the North’s side. It is losing hundreds of millions of dollars each year by being stubborn,” a senior Seoul official told reporters during a recent diplomatic forum. “There will not be any proper talks or reconciliation unless North Korea makes up its mind to do something about the attacks it made,” the official said. Washington, which has been backing Seoul’s policy not to recover ties with the North before it makes a proper apology, has been hinting at resuming aid and thereby restoring a direct dialogue channel with the communist state. (Shin Hae-in, “S. Korea Remains Tough against N. Korea,” *Korea Herald*, May 18, 2011)

Sydney Seiler, the new Korea policy chief at the National Security Council, visited the Korean Foreign Ministry alongside a U.S. delegation led by Stephen Bosworth, the U.S. special representative for North Korea policy. Seiler replaces Daniel Russell, who has been promoted to senior advisor for East Asian and Pacific affairs at the NSC. In the 30 years he had worked as an analyst of intelligence on North Korea at the CIA, he spent 12 years in South Korea. He has an MA in Korean studies from Yonsei University. He is the author of the book “Kim Il Song 1941-1948: The Creation of a Legend, the Building of a Regime.” He served as Deputy DNI Mission Manager for North Korea since mid-2007, having joined the office when it was established in January 2006. (*Chosun Ilbo*, “hite House New Point Man Visits Seoul,” May 18, 2011)

KCNA: “General Secretary Kim Jong Il met with the visiting delegation of the External Intelligence Bureau of the Russian Federation led by its Director M. Y. Fradkov on

Tuesday. On hand were U Tong Chuk, alternate member of the Political Bureau of the Central Committee of the Workers' Party of Korea, and Kim Kye Gwan, first vice-minister of Foreign Affairs. The head of the delegation presented Kim Jong Il and Kim Jong Un, vice-chairman of the Central Military Commission of the WPK, with the gifts he prepared with sincerity. Kim Jong Il thanked for this and had a talk with the delegation and its party in a cordial and friendly atmosphere. After receiving them, he hosted a dinner in honor of the guests. Present there on invitation were the delegation and its party and official diplomats of the Russian embassy in Pyongyang. Present there were U Tong Chuk and Kim Kye Gwan. The dinner took place in an amicable atmosphere." (KCNA, "Kim Jong-il Meets with Russian Delegation," May 17, 2011)

5/18/11

In an interview with Russian media Itar-Tass, Park Ui-chun, North Korean foreign minister, said the North was ready to denuclearize under the principle of "action for action" as formulated in the Sept. 19 2005 agreement signed by the chief nuclear negotiators of the two Koreas, the United States, Japan, China and Russia. (Kang Hyun-kyung, "Pyongyang Urges 'Action for Action' on Denuclearization," *Korea Times*, May 18, 2011)

Cheong Wa Dae revealed that it met with North Korean officials behind closed doors to explain President Lee Myung-bak's conditional offer to invite North Korean leader Kim Jong-il to the international Nuclear Security Summit in Seoul next year. During a visit to Berlin last week, Lee told reporters that he will invite Kim if the North shows it is willing to give up its nuclear weapons program. Cheong Wa Dae spokeswoman Kim Hee-jung said the offer "was conveyed" to the North Koreans and added, "We hope there will be more specific discussions between the South and the North if there is an opportunity." She declined to elaborate how the contact was made and stated simply that it was not made through civilian channels. She admitted Seoul is still waiting for North Korea's response. A senior government official said, "There are several channels whereby North and South Korea can communicate when necessary. The latest contact was made between working-level officials, not high-ranking ones." A Cheong Wa Dae official said, "President Lee wants to focus on the economy and inter-Korean relations during the remainder of his term." Sources in the ruling Grand National Party say Lee is betting everything on a radical improvement in relations with the North. Lee is betting on improved cross-border ties because their deterioration not only has a negative impact on the country's economy but could also work against the ruling GNP in the next year's general and presidential elections. And after the general elections in April next year, it will be more difficult to find opportunities to engage the North in dialogue since the administration enters its lame-duck phase. That is why Cheong Wa Dae appears to be seeking a major breakthrough before then. The government has been trying to bring about an inter-Korean summit even after negotiations broke down early last year, according to government officials. One high-ranking government official said a communication link still exists between Presidential Chief of Staff Yim Tae-hee and Kim Yang-gon, the director of the United Front Department at the North Korean Workers Party. "National Intelligence Service Director Won Sei-hoon is also making secret contacts with North Korean security officials." Locations for these contacts are believed to be China, Singapore and Malaysia. But the two sides are apparently clashing over the South's insistence on an apology for last year's attacks on the Navy

corvette Cheonan and Yeonpyeong Island. No matter how urgent his need for talks with North Korea may be, Lee does not intend to pursue further dialogue if those issues are not resolved. A Cheong Wa Dae official said, "President Lee's Berlin proposal can be seen as another message to Kim that we will offer our utmost support if he makes a decision." (*Chosun Ilbo*, "Lee Bets on Inter-Korean Issues," May 19, 2011)

5/19/11

The North Korean missile threat is "very different from what we had 40 years ago with the Soviet Union and the threat of first strikes," Raymond Colston, the new national intelligence manager for Korea at the National Intelligence Director's Office, said during a Capitol Hill panel discussion of Korean Peninsula security issues. "No one is looking at the North Koreans as building these systems to have a first-strike capability or anything like that. That's not what we're really concerned about. But they are certainly building missiles that eventually will be capable of targeting the U.S., and these missiles will be capable of having nuclear weapons." Colston touted the U.S. intelligence community's record in turning up information on North Korean threats, contending it has "given the policymakers, for the most part, the information they need." "Overall, I think the intelligence community has done a good job of informing the policymakers before [the North Koreans] built the Scuds, before they built the Nodong [medium-range ballistic missile], before they built some of their other missiles, when they were proliferating these missiles," he said. "Of course, [policymakers'] demands are incredible, and you know they want us to know exactly what the North Koreans are going to do at the next step," said Colston, a veteran intelligence analyst on North Korea and Northeast Asia. "That's their right to ask us, and that's just tough to do." "We've got a government in North Korea that most will agree is being led by a single individual who is the primary decision-maker," he said in reference to dictator Kim Jong Il. "So how do you get into the mind of a single individual and to figure out what that individual is going to do?" Developing an understanding of North Korea's ballistic missile planning and other policies "is a challenge for us, and that's what are policymakers are looking for," he said. "We've had some successes, but of course the policymakers always want more." "When you have a ballistic missile that you can put on the back of a truck, drive out to a field and raise the missile and launch it like they do, when you have that type of a missile, then knowing exactly when and where they might launch it is almost an impossible task -- very, very difficult to do." Still, the United States is "better off" than it was 10 years ago in assessing the Stalinist state's intentions, he said. "We've made some investments that have really paid off. And the world's changing, the world's changing inside North Korea. So... I think we're better off than we were 10 years ago," he added later, without elaborating. Kim is believed to be preparing to cede power to his youngest son, Kim Jong Un. The change in leadership is not likely to produce a change on policy in Pyongyang, Colston suggested. "Most of our folks, we are not expecting many real differences with the third generation," he added. (Diane Barnes, "North Korean Missile Reach Will Extend to U.S.: Senior Intel Official," *National Journal* Need-to-Know Memo, May 19, 2011)

Pressure is growing on the Obama administration to significantly alter plans for U.S. Marine basing arrangements on Okinawa, but chances seem slim for a policy shift at least until Defense Secretary Robert Gates departs office late next month. Opposition remains strong on Okinawa to construction of a new facility in the Henoko Bay area, to replace U.S. Marine Air Station Futenma, which has been slated for closure since 1995.

There is no momentum in Japan to move forward with the project, a situation made starker by the Great Eastern Earthquake of March 11. Tokyo is intensely focused on reconstruction efforts; neither the financial nor political capital is available to push the Henoko project through. Meanwhile, construction delays and cost overruns continue to bedevil a critical, related portion of the plan: the relocation of over 8,000 Marines and 9,000 family members from Okinawa to Guam. In Washington, an increasingly debt-weary Congress is asking whether it is worth the cost of building the new Henoko facility and the new Marine housing and related facilities on Guam, when cheaper force configurations more conducive to strategic needs in Asia might be found. Diplomats are under stress to find some answers because of plans for a "2+2" meeting of defense and foreign ministers from the two countries, to be followed by a summit meeting between President Barack Obama and Prime Minister Kan Naoto. With leaders in Japan tied down with reconstruction efforts, no schedule has yet been set for either meeting, though staging both by the end of June has been discussed. Secretary Gates remains adamantly opposed, and there does not yet exist within the administration the necessary correlation of political forces willing to force Gates to accept a new approach. The Pentagon's rigid stance is worsened by the lack of a replacement yet for Gen. Chip Gregson, who retired recently as assistant secretary of defense for Asian affairs. Senior Pentagon officials continue to say the administration is committed to the Henoko plan. But with the Pentagon leadership in transition, with CIA director Leon Panetta set to take over once Gates departs, senior officials are reluctant to veer from established policy, even if they want to. Officials at this level are in a bind: aware of opposition in Japan, aware of the enormous investment the Marines and US diplomacy have in the existing policy, but not politically strong enough to push for, much less win, a policy change. A resolution of the Futenma issue could have implications far beyond Okinawa and US-Japan relations. Evidence continues to grow that President Obama would like to see a major US strategic shift toward greater emphasis on Asia. The White House has tapped Obama confidante Mark Lippert to replace Gregson. It's notable that in a recent *New Yorker* analysis of Obama's foreign policy, NSC director Tom Donilon, deputy director Ben Rhodes (Obama's long-time chief foreign policy speechwriter), and Assistant Secretary of State for East Asia Kurt Campbell were all quoted outlining just such a strategic "rebalancing" of American foreign policy. The Pentagon's top policy chief, Michelle Flournoy, outlined a similar policy in a recent talk at Johns Hopkins. The administration is looking to energize America's role in East Asia by fomenting a system of open and transparent economic and security cooperation in the region, defining the terms of engagement to which China has to respond. The economic component, for now, is the Trans-Pacific Partnership regional trade initiative. And the security component involves building on America's traditional bilateral security alliances in the region to include a network of overlapping bilateral, trilateral, and multilateral security relationships from India, through Vietnam and Indonesia, to Australia, and up to Korea and Japan. China and South Korea both provided relief assistance to Japan after March 11, opening the door to expansion of the existing "Plus Three" dialogue between Tokyo, Seoul, and Beijing. Washington is supportive of these steps by Japan, as they indirectly extend the influence of the US-Japan alliance, while providing Tokyo a far greater degree of self-determination than possible through the exclusively bilateral US-Japan security alliance. The problem Washington faces is that continued focus on the Futenma dispute threatens to distract the US and Japan from

this broader strategic goal, allowing a relatively minor base dispute to disrupt the whole alliance. Into this bureaucratic quagmire have stepped three senior and very influential US senators: Carl Levin, chairman of the Armed Services Committee; John McCain, ranking Republican on Armed Services; and, Jim Webb, chairman of the Asia subcommittee of Senate Foreign Relations. On May 13, the three senators issued a joint statement calling for the Defense Department to "re-examine plans to restructure U.S. military forces in East Asia." The senators said the US "strongly supports a continuous and vigorous US presence in the region," but emphasized that they "believe the current DoD realignment plans are unrealistic, unworkable, and unaffordable." While the statement was "joint," Levin seemed to emphasize the need for restraint, and cost-effectiveness, in defense spending, especially in the construction of new overseas facilities. McCain tended to emphasize strategy, saying: "The Asia-Pacific region's growing role in the global distribution of power requires us to consistently view and update plans for the U.S. military's role in the region." And Webb forcefully challenged the Marine Corps claims that construction of a new facility in Henoko Bay to replace the Futenma air station is indispensable to the Marine presence in, and thus the stability of, East Asia. With Webb taking the lead, the three senators proposed a dramatic overhaul of the US Marine presence in East Asia. The key elements would include: a) "abandonment" of the Henoko project at Camp Schwab as a replacement for the Futenma facility; b) integration of the Marine Corps assets at Futenma into Kadena Air Base, while dispersing some Air Force assets now at Kadena to other areas of the Pacific; c) home-basing in Hawaii or at Camp Pendleton the 8,000 Marines now scheduled to redeploy to Guam, and deploy those Marines on a rotating basis throughout the Pacific. Most intriguing is that retired Marine Corps Gen. Jim Jones, who was President Obama's national security advisor until last October, played an important role in helping Webb craft these proposals. Campbell is prepared to work with Webb and others in Congress on a new basing arrangement for the Marines in the Pacific. Once Panetta takes over as defense secretary, and assuming Lippert becomes his top deputy for Asia, the White House would have in place an administration-wide team to pursue an expanded role in the region. (Peter Ennis, "Planning for the Worst Pressure Builds for U.S. Shift on Okinawa," PacNet No. 29, May 19, 2011)

With a U.S. food assessment team led by special envoy Robert King entering North Korea - a move some regard as a preliminary step toward resuming U.S. food aid to the North - a group of high-profile U.S. senators urged Washington not to make a hasty decision. In a joint letter to Secretary of State Hillary Rodham Clinton on Friday, Republicans John McCain and Jon Kyl, Democrat Jim Webb and independent Joseph Lieberman said the U.S. should use extreme caution so as not to play into the hands of the North Korean regime, which they said may be using the food aid issue as a political weapon. The senators said Washington should respond to the North's request through careful consultation with South Korea and Japan. (Kim Jung-wook and Moon Gwang-lip, "U.S. Envoy in North over Food; Senators Skeptical," *JoongAng Ilbo*, May 24, 2011)

North Korea's Workers Party has started a generational shakeup in the Supreme People's Assembly by appointing large numbers of young delegates in their 20s and 30s. The rubber-stamp parliament consists of delegates with a five-year term from

various organizations including the party and the military. A North Korean source said the Workers Party recently ordered municipal, provincial, and county party committees to force elderly members to quit for health reasons and fill the vacancies with people under 40. "The North Korean leadership is seeking to replace a larger number of elderly members with younger people next year," which it has declared as the year when the country becomes a "powerful and prosperous" nation, the source said. The regime "also ordered officials to lower the educational level of the delegates, but raise the ratio of female delegates to more than 30 percent." The average age of the 687 SPA delegates is 57. Those with college or higher degrees account for 92.8 percent, and women for 19.3 percent, according to the source. The moves are believed to be part of the regime's efforts to consolidate the succession of leader Kim Jong-il's third son and heir Jong-un, who is in his late 20s. Liberty Forward Party lawmaker Park Sun-young backed the story. "I was told by a North Korean source based in a Southeast Asian country that the regime has recently issued instructions for a generational change in the SPA," she said. "The party is trying to strengthen Kim Jong-un's control" at a time when the lower echelons of the party, which has a membership of 4.5 million nationwide, have become unreliable since a botched currency reform in late 2008. "Once the SPA has more delegates in their 20s and 30s who are Kim Jong-un's loyal cadres, the regime will probably get tough, including launching more provocations against the South," Park added. (*Chosun Ilbo*, "N. Korea Pushes Generational Change in Parliament," May 19, 2011)

5/20/11 Special Envoy for North Korea Human Rights Ambassador Robert King and USAID Deputy Assistant Administrator for the Office of Foreign Disaster Assistance Jon Brause will travel to the Democratic People's Republic of Korea May 24-28. Food security experts will accompany Ambassador King and DAA Brause. The delegation will conduct field evaluation of food security needs and will meet with DPRK Government officials. (DoS, Media Note, May 20, 2011) It is the first time that North Korea has agreed to admit a U.S. human rights envoy. Neither King, appointed in 2009, nor his predecessor, Jay Lefkowitz, has been to the reclusive North. The same goes for Marzuki Darusman, the U.N.'s special rapporteur on North Korean human rights, and his predecessor, Vitit Muntarbhorn. (Yonhap, "King to Lead U.S. Mission to N. Korea," *Korea Herald*, May 21, 2011)

5/22/11 Leaders of South Korea, Japan and China agreed to set up an early notification system for nuclear accidents during an annual tripartite summit in Tokyo which took place as North Korean leader Kim Jong-il was visiting China. "As the three nations are geographically close, a nuclear accident or disaster in one nation could have substantial and psychological effects on the people of all three nations," Lee said at a joint news conference in Tokyo. "It is an important achievement for us to agree to strengthen information sharing and other cooperation on disasters, including nuclear accidents." The three leaders also agreed to complete a joint study at an early date into the possibility of forging a three-way free trade agreement, welcoming the progress made in setting up a joint secretariat to be established in Seoul later this year to handle cooperation projects, officials said. Sharing the importance of seeking sustainable growth through using renewable energy and improved energy efficiency. They agreed to strengthen policy dialogue and human exchanges on the issue, they

said. During the summit talks that went on for about 70 minutes, Lee and Wen agreed to cooperate further in ongoing discussions for a Korea-China free trade pact and make efforts to increase the two-way trade volume to \$300 billion before their target year of 2015. Lee and Wen also welcomed the establishment of a direct air route between Gimpo and Beijing slated for July and agreed to expand exchanges of high-profile officials as the two countries celebrate the 20th anniversary of their diplomatic relations next year. During the following bilateral summit talks with Japanese Prime Minister Kan Naoto, Lee was expected to discuss Japan's agreement to return ancient Korean royal books, disaster management and humanitarian assistance to Japan.

South Korea, Japan and China adopted a joint summit declaration summing up their discussions, which pledged to promote cooperation not only on nuclear safety and disaster management but also on economic, security, regional and international issues. They also adopted annex documents specifying cooperative steps in nuclear safety, disaster management and sustainable growth, promising to start discussions on "establishing an early notification framework and exchanging experts," and to share information on radiation-spreading atmospheric currents and their movements at times of accidents. They also agreed to ensure quick information sharing at times of disasters, send relief teams and supplies as early as possible, strengthen cooperation in recovery efforts and conduct joint anti-disaster drills. (Kim So-hyun, "Korea, Japan, China Agree on Nuke Safety," *Korea Herald*, May 22, 2011)

Chinese Premier Wen Jiabao said that dialogue is the only way to resolve the crisis on the Korean Peninsula, but Japan stressed that North Korea must first show sincerity in addressing concerns over its uranium enrichment activities before talks can resume. "We are happy to see that at present, the developments on the Korean peninsula are easing slightly. We've also noticed that there are a lot of uncertain factors. The foundation is still fragile," Wen told a joint news conference. PM Kan voiced concern about North Korea's uranium enrichment program and said the three leaders agreed that some of the impetus rests with Pyongyang for making talks happen. "The three leaders agreed it's important for North Korea to show sincerity before six-country talks on its nuclear program can resume and agreed to induce North Korea to take appropriate action on the nuclear issue," Kan said at the news conference. (Sui-Lee Wee and Chisa Fujioka, "China Says Dialogue Only Way to Solve Korea Crisis," Reuters, May 22, 2011)

China failed to fulfill its political commitment and military obligation to North Korea, which pushed Pyongyang to seek its own means of nuclear deterrence that have now become a grave security concern in the region, said Shen Dingli, a security expert at Fudan University in Shanghai. "We claim to be a responsible stakeholder, but we have not been properly responsible with regard to North Korea," Shen said in an interview. Shen sees Beijing's ambivalent attitude as the beginning of China's steps that caused North Korea to feel the Middle Kingdom was no longer a reliable partner, and seek its own means of deterrence. Pyongyang also sees the nuclear weapons as the "ultimate deterrence" as pundits often point out no nuclear-armed country has ever been attacked by the United States, which the North sees as its primary enemy. "Beijing did not reaffirm its military alliance with Pyongyang. That scared North Korea. We should

have told everyone that China has a live military alliance with North Korea and China is a responsible country that will not abandon its military obligations to North Korea," said Shen. "We should also make it clear that if anyone attacks the North, we will retaliate against attacker. In that way, we can assure it 'we will protect you and therefore you should not develop nuclear weapons.'" Shen sees the United States as setting a good example of displaying a robust military alliance with its Asian allies, including South Korea, Taiwan and Japan, fully committing to their protection. Importantly, the U.S. has also successfully dissuaded these countries from pursuing nuclear weapons programs. Shen argues that China should at least now make it clear that its defense treaty "has not died." At a more fundamental level, he sees that China shouldn't be ashamed of having a special relationship with North Korea. "A responsible stakeholder should tell everybody that Beijing-Pyongyang military alliance is not dead. But we told everybody that we wanted to have a normal relationship with North Korea. That was wrong. We have a treaty-bound relationship. That means our relationship with the North is not normal." "A 'normal' state-to-state relationship is a relationship without a military alliance. South Korea doesn't feel shame in having a special relationship with the United States. It makes South Korea safe and secure. But China feels shy about affirming its special relationship with North Korea publicly, as if we did something wrong. We need to change this mentality. For Beijing to protect Pyongyang is nothing to be ashamed of," said Shen. By reaffirming its robust political ties and military commitment to North Korea, Shen believes China can also establish authority to counsel it. "When North Korea shelled the South Korean Yeonpyeong Island, China said nothing. China should have condemned North Korea. That's a shameful relationship. If we firmly protect North Korea, then we can tell North Korea not to harm South Korea," said Shen. (Sonny Lee, "Beijing Took Wrong Foreign Policy on N. Korea," *Korea Times*, May 22, 2011)

5/23/11 South Koreans who wish to send money to their families in North Korea will be required to get government approval in advance under a revised law, Seoul's Unification Ministry said. All remittances between the South and North, including investments or aid to the North from an overseas corporation set up by a South Korean citizen, will require government approval, according to the revised law on inter-Korean exchange and cooperation, aimed at increasing transparency of the cross-border exchanges. So far, only payments for commercial transactions were subject to obtain government permission in advance, raising concerns that it was hard to track other kinds of cash flow into North Korea. (Kim So-hyun, "Seoul Tightens Rules on Cash Flow to North Korea," *Korea Herald*, May 23, 2011)

5/24/11 The Korea Tangun Trading Corp., a state organization suspected of assisting nuclear and missile programs in the North, is among the 16 foreign companies or individuals that the U.S. Department of State said were under its new sanction on proliferators of weapons. Accused to have been involved in trade in support of weapons of mass destruction and missile programs in Iran, North Korea and Syria, the 16 entities or individuals are banned from doing business with the U.S. government for two years, the State Department said. UN humanitarian chief Valerie Amos said at UN headquarters on Tuesday that she will soon decide on tapping the UN's Central

Emergency Response Fund to help North Korea. (Moon Gwang-lip, "U.S. Puts Company in the North under Sanctions," *JoongAng Ilbo*, May 26, 2011)

5/26/11

As Kim Jong-il embarked on his seventh trip to China, plans for bilateral economic cooperation started circulating in northeastern China. They include the joint development of an island called Hwanggumpyong in the lower reaches of the Duman (Tumen) River, and of the Rajin-Sonbong special zone in North Korea. It seems that the North deliberately leaked the document to lure investment from Chinese businesses. The document purports to be written by a negotiating body of the central governments of North Korea and China for development of the two zones. The two industrial zones will have landline and mobile phone connections as well as Internet access, which is unavailable elsewhere in the North. It will also let both foreign manufacturers and banks in. The plan envisages a more flexible labor market system than the Kaesong Industrial Complex, allowing foreign companies to hire and lay off North Korean workers on their own terms, while private ownership is guaranteed by making it possible to transfer companies' assets to other people. The document proposes making Rajin-Sonbong the leading manufacturing complex for heavy industry such as petrochemicals, cars, machinery and shipbuilding, and cutting-edge technologies including computers, communications, bio-medicine and logistics. Hwanggumpyong, meanwhile, will be a hub of light industry including software outsourcing. In order to achieve these goals, an airport, port, highway, and railway are planned in these areas. (*Chosun Ilbo*, "Plans for N. Korea-China Economic Zones Leaked," May 26, 2011)

5/27/11

KCNA: "As already reported, American Young-su Jun has been under investigation by a relevant institution after he was arrested in Nov. 2010 on charges of anti-DPRK crime. The investigation proved that Jun committed serious crime against the DPRK which he frankly admitted himself. Robert King, special envoy for Human Rights and Humanitarian Issues, U.S. State Department on a visit to the DPRK, expressed regret at the incident on behalf of the U.S. government and assured that it would make all its efforts to prevent the recurrence of similar incident. Earlier, former U.S. President Jimmy Carter and Reverend Franklin Graham visited the DPRK and repeatedly asked it to leniently pardon him. Taking all this into account, the DPRK government decided to set him free from the humanitarian stand. During his detention, the DPRK allowed him to make regular contacts with the consul of the Swedish embassy representing the U.S. interests in the DPRK as well as correspondence and phone call with his family. It also gave him hospital treatment for his health reason." (KCNA, "American Young-su Ju Released," May 27, 2011) Following a trip to North Korea in late April, former President Jimmy Carter said he was disappointed not to have won the release of Jun on humanitarian grounds. Carter made the trip to North Korea as part of a group called the Elders, an independent group of world leaders established by Nelson Mandela. Carter said that the Swedish ambassador in Pyongyang had visited Jun four times and had reported that he was being treated well. Because the United States has no diplomatic relations with North Korea, its interests are sometimes represented there by Sweden. At the time of Carter's trip, Jun's family issued an open letter to North Korea to appeal for the release of "our loving father and husband." The letter said that Jun had medical issues and that "We strongly doubt that our father's health can withstand

the stress of a trial or further detainment." "Therefore, we beseech his release as an act of humanitarianism that your nation can bestow upon him and our family." (Su-hyun Lee and Kevin Drew, "N. Korea Will Reportedly Free American," *New York Times*, May 27, 2011) He arrived in Beijing early May 28, the Associated Press said. Jun, also known as Eddie, is reportedly about 60 years old and a naturalized U.S. citizen. He was working legally in North Korea when he was detained. (Barbara Demick, "N. Korea Releases California Man," *Los Angeles Times*, May 28, 2011)

China will start repairing a 53-kilometer-long expressway that connects the North Korean town of Wonjong with China's Hunchun and the North Korean port city of Rajin later this month, a Jilin provincial government Web site said, a move seen as part of bilateral efforts to deepen economic ties. The announcement comes as North Korean leader Kim Jong-il returned home earlier on Friday after concluding a weeklong trip to China. (Kim Young-gyo, "Beijing to Begin Repairing Road Linking Chinese-N. Korean Border Cities," May 27, 2011)

5/20-27/11 North Korean leader Kim Jong-il arrived in Changchun in northeast China on his second day of a secret trip to China. Kim's special train arrived at Changchun's train station around 8:20 a.m., and a convoy believed to be carrying an entourage accompanying the leader was seen heading toward the city's South Lake Hotel, a source in Changchun told Yonhap. Kim held summit talks with Chinese President Hu Jintao at the same hotel during his previous trip in August. Kim arrived in the Chinese border city of Tumen early May 20 before heading to Mudanjiang in northeast China in his third trip to China in a little more than a year. (Yonhap, "N. Korean Leader Kim Jong-il Arrives in Changchun," May 21, 2011) "China invited Chairman Kim Jong-il to provide the North with an opportunity to understand China's economic development and use the understanding for its own (economic) development," Wen told South Korean President Lee Myung-bak, according to Lee's spokesman Hong Sang-pyo. (Yonhap, "N. Korean Leader Expected to Arrive in Yangzhou: Sources," May 22, 2011) On May 21, Kim Jong Il's delegation traveled in about 40 cars in Changchun in Jilin Province under tight security. There, he inspected a factory, which is affiliated with the major Chinese carmaker China First Automobile Works Group Corp. He also stayed temporarily at the South Lake Hotel, where he met with Chinese President Hu Jintao, in August last year. On May 23, Kim's envoy left the Yangzhou guest palace after 9 a.m. and headed for a high-tech technology center known as Yangzhou Zhigu, in the economic development zone located in the south of the city. After a tour there, the envoy visited two other industrial facilities. (*Asahi Shimbun*, "Kim Jong-il Visits China Again with Hat in Hand," May 24, 2011) On May 25 Kim entered the Diaoyutai State Guesthouse in downtown Beijing, soon after wrapping up a 19-hour ride through China's eastern areas from Nanjing aboard his special train. (Yonhap, "Kim Jong-il Set to Hold Talks with Chinese Leaders in Beijing," May 25, 2011) Kim Jong-il was visiting China, a Seoul government source said, contradicting earlier reports that his heir-apparent son, Jong-un, traveled to the country. The trip, if confirmed, will be the leader's third in slightly over one year. He had visited China in early May and late August last year. (Yonhap, "N. Korean Leader Kim Jong-il Visits China: Source," May 20, 2011) North Korean leader Kim Jong-il left Beijing on May 26, a day after a high-profile meeting with Chinese President Hu Jintao on expanding bilateral economic

and political relations. Kim's special train left Beijing Station at around 2:19 p.m. (local time) and headed north, apparently toward China's northeastern region bordering North Korea. In the latest reminder of his interest in computer technology, Kim visited China's Silicon Valley, Zhongguancun, with Chinese Vice Premier Li Keqiang before leaving the Chinese capital. (Yonhap, "N. Korean Leader Leaves Beijing after Visit to Technology Center," May 26, 2011) State broadcaster CCTV is confirming a visit by North Korean supreme leader Kim Jong Il in a sign that his trip is over. It said Kim met with President Hu Jintao, Premier Wen Jiabao and other leading officials and attended a state banquet in Beijing on the night of May 26. Wen said "it is a steadfast principle" of the Chinese government "to consolidate and develop" a friendship between China and North Korea, the Xinhua report said. The news report added that "both sides boosted substantial cooperation in trade and other areas, which have helped promote economic development and improve people's lives in the two countries."(Associated Press, "China Confirms Visit by N. Korean Leader Kim Jong-il, Summit Meeting with President Hu Jintao, May 26, 2011) North Korean leader Kim Jong-il said Wednesday that North Korea advocates that the six-party talks on Korean Peninsula nuclear issue be resumed at an early time, China's state-run Xinhua News Agency reported on May 26. (Park Min-hee, ""Kim Jong-il Calls for Early Resumption of Six-Party Talks," *Hankyore*, May 27, 2011) KCNA: "Kim Jong Il, general secretary of the Workers' Party of Korea (WPK) and chairman of the DPRK National Defense Commission (NDC), paid an unofficial visit to the People's Republic of China (PRC) from May 20 to 26 at the invitation of Hu Jintao, general secretary of the Central Committee of the Communist Party of China (CPC) and president of the PRC. He was accompanied by Kim Ki Nam and Choe Thae Bok, members of the Political Bureau and secretaries of the C.C., the WPK; Kang Sok Ju, member of the Political Bureau of the C.C., the WPK and vice-premier of the Cabinet; Jang Song Thaek, alternate member of the Political Bureau of the C.C., the WPK and vice-chairman of the NDC; Kim Yong Il, Pak To Chun and Thae Jong Su, alternate members of the Political Bureau and secretaries of the C.C., the WPK; Mun Kyong Tok, alternate member of the Political Bureau and secretary of the C.C., the WPK and chief secretary of the Pyongyang City Committee of the WPK; Ju Kyu Chang, alternate member of the Political Bureau and department director of the C.C., the WPK; Kim Kye Gwan, first vice-minister of Foreign Affairs; and Ji Jae Ryong, DPRK ambassador e. p. to China. Chinese party and state leaders warmly welcomed Kim Jong Il who visited China again for strengthening and developing the DPRK-China friendship sealed in blood and accorded him cordial hospitality with utmost sincerity. Kim Jong Il separately met and had talks with Hu Jintao, and Wen Jiabao, Jia Qinglin, Li Changchun, Xi Jinping, Li Keqiang, He Guoqiang and Zhou Yongkang, who are members of the Standing Committee of the Political Bureau of the C.C., the CPC. ... Kim Jong Il cordially met with Hu Jintao in Beijing on May 25 and held talks with him. Present at the talks from the Chinese side were Xi Jinping, member of the Standing Committee of the Political Bureau of the C.C., the CPC and vice-president of the PRC; Ling Jihua, member of the Secretariat of the Central Committee of the CPC and director of the General Office of the C.C., the CPC; Dai Bingguo, state councilor; Wang Jiarui, head of the International Liaison Department of the C.C., the CPC; Yang Jiechi, minister of Foreign Affairs; Zhang Ping, head of the National Development and Reform Committee; Chen Deming, minister of Commerce; Liu Jieyi, deputy head of the International Liaison Department of the C.C., the CPC; and Liu Hongcai, Chinese

ambassador e. p. to the DPRK. Present there were Kang Sok Ju, member of the Political Bureau of the C.C., the WPK and vice-premier of the DPRK Cabinet; Kim Yong Il, alternate member and secretary of the C.C., the WPK; and Kim Kye Gwan, first vice-minister of Foreign Affairs. Kim Jong Il's visit to China is of particularly weighty importance in developing the traditional friendly and cooperative relations between the two countries on a higher stage, Hu Jintao noted, warmly welcoming his visit to China on behalf of the Chinese party, government and people. ... Recognizing that the adherence to the goal of denuclearization on the whole Korean Peninsula, peaceful settlement of the issue through dialogue including the resumption of the six-party talks and the elimination of obstructive elements conform to the overall interests of Northeast Asia, the two sides shared views on making good understanding and coordination." (KCNA, "Kim Jong Il Pays Unofficial Visit to China," May 27, 2011) When Kim was in China, according to Chinese media, he told Hu: **"The DPRK has concentrated its efforts on economic construction and badly needs a stable peripheral environment."** (Nelson Report, May 31, 2011) President Hu Jintao of China praised North Korea and its ailing leader, Kim Jong-il, for giving "top priority to improving people's lives," according to a report by Xinhua, the state news agency. Hu made his remarks during a six-day tour of China by Kim, and they reflected China's hopes that North Korea would move toward major economic reforms. The same Xinhua report commented on Kim's reaction to the economic prosperity he saw throughout China, where he traveled in a private armored train: "He said the Chinese people are now engaged in economic and social development and he marveled at the amazing changes he saw during the visit." In his frequent trips to China, Kim has often toured prosperous coastal areas. But he has not put in place fundamental changes to the North Korean economy, and some analysts believe his interest in China stems primarily from his desire for cheap, reliable supplies of food and energy and diplomatic protection from the United States, Japan and South Korea, which are seeking to roll back North Korea's nuclear weapons program. South Korean officials said on May 22 that Prime Minister Wen Jiabao of China had commented during a summit meeting in Japan that Kim was visiting China to study its model of economic development. Wen made those remarks to President Lee Myung-bak of South Korea. "Kim Jong-il's visit is a resounding demonstration of how strong China-North Korea ties are at present," John Delury, a China scholar at Yonsei University in Seoul, South Korea, said in an e-mail. "The clear emphasis on China's economic development is a signal of renewed interest by Pyongyang in some kind of reform and opening with North Korean characteristics – although by no means does it guarantee that we'll see a real push along those lines upon Kim Jong-il's return." (Edward Wong, "China Hails North Korean Leader as He Tours Country," *New York Times*, May 27, 2011, p. A-3) Press reports from the state-controlled media in China and North Korea gave very different descriptions of the trip, Kim's third in a year, indicating a divergence of priorities between the two nation's leaders. Although both media emphasized the long and close friendship between the countries, Kim's desire to bequeath power to his youngest son Jong-un was emphasized by KCNA. KCNA quoted Chinese President Hu Jintao as saying the Chinese government and the Communist Party of China would "fulfill its historical responsibility" in "passing on the traditional baton of friendship between China and North Korea," suggesting an acceptance of the dynastic, third generation power transfer. However, Xinhua News Agency had a very different

formulation. It reported that Kim Jong-il had requested China maintain the friendship between the countries as time passes. It quoted Kim, not Hu, as saying, "This is our major mission to carry on the baton of friendship from generation to generation." Xinhua also emphasized the economic progress that Kim said North Korea was making and quoted Chinese Premier Wen Jiabao as saying the two countries had promoted "bilateral economic development and livelihood development." "China is ready for [North Korea] to play the role of a fulcrum ... to bring mutually beneficial cooperation to a higher level," Wen was quoted as saying by Xinhua. KCNA didn't quote Wen or mention North Korea's economic progress. South Korean analysts say the divergence showed the different priorities of the two countries and suggested that Kim and Hu were not in accord. According to one South Korean analyst, China expected North Korea to show some tangible progress in opening up its economy. Kim was preoccupied with the dynastic succession, the source said. Kim Jong-il's priorities on the trip were also evident in the officials who accompanied him, which KCNA. Kim Ok, his unofficial first lady and a mother figure to his three youngest children, who was seen getting out of Kim's car accompanied him to a banquet with Hu. This shows her growing influence, especially as a maternal figure to heir apparent Kim Jong-un. Jong-un's mother died in 2004. Kim Yong-chun, the North's defense minister, remained in North Korea due to ailing health, but it also reflects no real military agenda for the China trip. The absence of Kim Yang-gon, who is in charge of international and inter-Korean affairs, suggests that Kim wasn't focused on inter-Korean relations in his meeting with Hu. (Christine Kim, "Different Takes on Kim's Visit by China, N. Korea," *JoongAng Ilbo*, May 28, 2011)

5/24-28/11 Ambassador Robert King visited Pyongyang. U.S. government officials and experts focused on coordinating monitoring terms of possible food aid to North Korea during their trip, the U.S. administration said May 31. "While they were there, they discussed, specifically related to the food assessment, monitoring terms necessary to ensure that if indeed we did provide humanitarian aid to North Korea, that it would reach those for whom it's intended," State Department spokesman Mark Toner said in a press briefing. The spokesman acknowledged it is a "pressing" issue to decide on humanitarian aid for North Korea but said it is still too early to talk about the details of what King's team found there. (Lee Chi-dong, "King Discusses Food Aid Terms in N. Korea," *Yonhap*, May 31, 2011) King on May 28: "We just arrived from Pyongyang. We are very happy to report that Mr. Jun, the American citizen who was being held in Pyongyang, has been released. We are also delighted that within a day or two that he will be able to be back with his wife and family. While we were there, our team had three and a half days of very serious and thoughtful talks with the Foreign Ministry. We were warmly welcomed, we were received at the highest levels, and we have discussed a number of issues. We will report back to Washington on our meetings. We did not negotiate or agree to any provision of food assistance. That is an issue that will have to be made in Washington. We still have a field team which is in DPRK and they will not leave until the end of next week." (Ambassador Robert King, Special Envoy for North Korean Human Rights Issues, Remarks at Airport, Beijing, May 28, 2011) Toner: "while they were in Pyongyang, special envoy for North Korean human rights Ambassador King as well as USAID's Deputy Assistant Administrator Jon Brause met with First Vice Foreign Minister Kim Kye-gwan, as well as Vice Foreign Minister Ri Yong-ho, and Director

General for North American Affairs Ri Gun. And while they were there they discussed, specifically related to the food assessment, monitoring terms necessary to assure that if indeed we did provide humanitarian aid to North Korea that it would reach those for whom it's intended. And just a word on the field team of food assessment experts, they do remain in North Korea, I believe through June 2nd. (Deputy Spokesman Mark C. Toner, DoS, Daily Press Briefing, May 31, 2011)

South Korea has no intention of sacrificing its "principle" for an apology from North Korea for last year's deadly attacks for the sake of the resumption of inter-Korean dialogue, Seoul's point man on cross-border affairs said. "The government will stick with its principle that demands North Korea show responsible measures for the attacks on the Cheonan warship and Yeonpyeong Island ahead of inter-Korean dialogue," Unification Minister Hyun In-taek told a forum in Seoul. "Any dialogue overlooking North Korean provocations won't lead to peace on the Korean Peninsula. We reject such dialogue." Speaking to a separate conference on the southern resort island of Jeju, Prime Minister Kim Hwang-sik again urged North Korea to demonstrate its denuclearization commitment and show "sincerity" for inter-Korean talks. "There is a need to confirm North Korea's sincerity at an inter-Korean dialogue because the six-party talks should become a venue to make practical progress for denuclearization in the North," Kim told the annual Jeju Peace Forum. (Yonhap, "No Inter-Korean Talks without N. Korea's Apology: Minister," May 28, 2011)

5/30/11

NDC statement: "The moves of the Lee Myung Bak group of traitors to escalate confrontation with the DPRK have reached an extreme phase. The group is doing sordid things only while escalating the accusation of the headquarters of our revolution and the sacred socialist system, reminding one of a puppy knowing no fear of the tiger, the statement notes, and goes on: The Lee Myung Bak group of traitors fakes up false stories and whitewashes its misrule, undermining national reconciliation and unity and deliberately laying a hurdle in the way of peace and prosperity. It is impertinently talking about what it called 'true intention' of the 'Berlin proposal,' crying out for somebody's dismantlement of nukes and apology for no reason. It is busy pulling up the DPRK under the pretext of false case and over its legitimate measures for self-defense, driving the inter-Korean relations to uncontrollable catastrophe. The group went the lengths of malignantly slandering the DPRK's magnanimous proposal for bringing about a new phase of reconciliation, cooperation, peace and reunification through wide-ranging dialogue and negotiations without any pre-conditions in a bid to create impression among the domestic and foreign public that its delaying tactics would help "contingency" occur as it desires. During his recent trip to Japan he made no scruple of taking issue with the DPRK's nuclear issue and back in Seoul he even said that he would try to persuade someone with "affection", the statement said, and continued: It was against this backdrop that the puppet military warmongers hurled a great number of soldiers into holding firing exercises in ranges in Yangju and Incheon Kyonggi Province from May 23. And anti-DPRK conservative forces of south Korea during their foreign trip described the May 18 Kwangju massacre as "an act done by a special unit of the north" though it was perpetrated by the Chun Doo Hwan military fascists. The statement clarified internally and externally the following principled stand of the DPRK: 1. **The army and people of the DPRK will never deal with traitor Lee**

Myung Bak and his clan. It is our stand to let them wait for 'contingency' as long as they please according to their 'waiting strategy,' sticking to their 'theory of principle' on the basis of their own judgment till they face their self-destruction. 2. The DPRK will launch a nationwide offensive to put an end to the moves of the Lee group to escalate the confrontation with the DPRK. The all-out offensive of the army and people of the DPRK is a merciless one. The trend of the times will prove that hot waves for genuine democracy will rage in the base of the group. 3. The army and people of the DPRK for the present will take practical actions to cope with the confrontation racket of the group. As the group put a check bar on reconciliation and cooperation, denying dialogue and contacts, **the Korean People's Army will cut off the north-south military communication in the area along the east coast which has been maintained to provide a military guarantee for the north-south passage and close the communication liaison office in Mt. Kumgang area as the first step.** As already warned by the DPRK, **it will take a physical action without any notice any time against any target to cope with the anti-DPRK psychological warfare** persistently perpetrated by the group with a foolish aim. (KCNA, "DPRK Will Not Deal with Lee Myung Bak: Spokesman for NDC of DPRK," May 30, 2011) A belligerent message from North Korea proved mere bluster when it emerged that the communication lines the North threatened to cut off have been down since last year. Since the three copper cables were cut off, "we've called on the North several times to repair them, but there has been no response," a Unification Ministry official said May 31. (*Chosun Ilbo*, "N. Korean Threat Proves Empty Bluster," June 1, 2011)

North Korea threatened Monday that it will no longer engage with South Korea and will retaliate against Seoul for anti-Pyongyang "psychological warfare." "The army and people of the (North) will never deal with traitor Lee Myung-bak and his clan," the North's powerful National Defense Commission said in a statement, referring to the South Korean president by name. The commission headed by North Korean leader Kim Jong-il also renewed a warning that the North "will take physical action without any notice any time against any target to cope with the anti-(North Korea) psychological warfare." The North's statement also said it will cut off military communication lines with South Korea in the east and shut down its liaison office in Kumgang, a scenic mountain resort in the North that was an attraction for South Korean tourists. (Yonhap, "N. Korea Renews Threat to Launch 'Physical Action' against S. Korea," May 30, 2011)

U.S. Director of National Intelligence James Clapper, 70, came to South Korea for a top-secret visit this weekend, it was reported Sunday. According to an intelligence source, Clapper came to South Korea during the weekend and met with a full list of senior foreign affairs and national security officials, including Minister of Foreign Affairs and Trade Kim Sung-hwan, Minister of National Defense Kim Kwan-jin, and National Intelligence Service Director Won Sei-hoon. Clapper is also scheduled to pay a courtesy visit to President Lee Myung-bak at the Cheong Wa Dae (the presidential office in South Korea or Blue House) today, the source reported. (*Hankyore*, "U.S. National Intelligence Director Makes Top-Secret Visit to S. Korea," May 30, 2011)

A South Korean Army intelligence officer infiltrated areas near North Korea's Yongbyon nuclear complex and brought samples of soil and water from a testing site for high explosives in Gusong, North Pyongan Province to the South in 1999 for the government to assess its nuclear activities, news reports said Monday. Later, the lieutenant colonel, identified only by his surname Jeong, was abducted into the North after being seduced by a North Korean female agent in China. He was then released in the early 2000s thanks to under-the-table contacts, they said. Jeong of the Defense Intelligence Command, who sources say is still in active duty and is soon to retire, may have handed over military secrets to the communist state while in captivity there, the reports said. Citing government sources, they also pointed out that he was not reprimanded for that as the radiation-contaminated samples gave critical information on the North's nuclear development. He was rather given an order of military merit, according to the reports. Seoul's Ministry of National Defense said that the reports were untrue. "I talked to intelligence officials here. They said the reports are not the truth. I am sorry that I cannot tell you about whether he was abducted or not," ministry spokesman Kim Min-seok told reporters in a press briefing. In a court hearing May 19 for a 57-year-old man indicted on charges of handing over military operation plans to the North, a former reporter testified that four senior South Korean military officers were abducted by the North in 1999. But only Jeong was held captive by the North that year, *Chosun Ilbo* said. The testing of high explosives is a prerequisite in the development of plutonium-based nuclear bombs, experts said. Experts say that even a small amount of soil from the nuclear site would shed light on North Korea's nuclear programs. In the early 1990s, the North reported to the international community that it extracted only 80 grams of plutonium after reprocessing spent fuel rods from Yongbyon nuclear reactors only once. But after analyzing the soil there, inspectors from the International Atomic Energy Agency found that the North reprocessed the rods three times to produce a considerable amount of fissile material possibly measurable by the kilogram. (Song Sang-ho, "Army Officer Brought N.K. Nuke Site Soil to South: Reports," *Korea Herald*, May 30, 2011)

5/31/11 Representatives from South Korean civic groups will travel to North Korea today to meet with counterparts in a rare civilian exchange between the sides, an official said Tuesday. Seven representatives from the Cheontae Buddhist group and two from the Lighthouse Foundation will travel to the border town of Gaeseong for talks on distribution of humanitarian aid and measures to ensure transparency, the official said on condition of anonymity. They will return later in the day. The Buddhist group will bring with it 13 million won worth of powdered milk, the official said. "We are still prohibiting social and cultural exchanges in accordance with the May 24 measures," the official said. "But we plan to gradually widen the scope of the humanitarian aid activities." The government has recently allowed a small amount of aid to cross the border, but drew the ire of the NGOs by not allowing them to meet with their counterparts. (Kim Young-jin, "NGOs Set for Rare Meeting with N. Korea," *Korea Times*, May 31, 2011)

6/1/11 North Korea's powerful National Defense Commission claimed that South Korea proposed a series of summit meetings with the communist nation when the sides held secret talks in Beijing on May 9 and that the South proposed holding three summit

meetings -- first at the border village of Panmunjom in late June, second in Pyongyang in August and third in Seoul in March next year on the sidelines of an international security summit. The South also proposed that the sides hold Cabinet-level talks in late May to lay the groundwork for summit talks, the North's commission said via KCNA. The South's alleged proposal of summit meetings appears to be in line with President Lee Myung-bak's offer to invite North Korean leader Kim Jong-il to next year's Nuclear Security Summit, scheduled for next March, if Pyongyang firmly commits to nuclear disarmament. The North said the secret meeting ended without agreement because the South repeated its demand that the North apologize for last year's two deadly attacks -- the March sinking of a warship and the November shelling of a border island -- saying the issue is "mountains to be crossed with wisdom" to improve inter-Korean ties. "The DPRK side clarified its steadfast stand that such summit talks cannot take place as long as the South side insists on the hostile policy towards the DPRK, persistently claiming that the North should 'dismantle its nukes first' and calling for 'an apology for the two cases,'" the North said. If the North's claims are true, the secret meeting took place when South Korean President Lee was on a trip to Europe. During a visit to Berlin, Lee unveiled his willingness to invite the North's leader to next year's security summit. Officials in Seoul have since said that the South delivered its genuine intentions behind the invitation offer to the North, and expressed hope for further discussions with the North on the matter. Today's disclosure, if confirmed, would be an embarrassment to the South's government. (Yonhap, "N. Korea: S. Korea Proposed Inter-Korean Summits during Secret Meeting," June 1, 2011) North Korea said Lee's representatives at the Beijing meeting "went the lengths of showing off enveloped money to lure" them to agree to a summit. True or not, the North's statement is likely to damage Lee with his base of conservative voters, who urged him to stick to a principle of seeking reciprocity in any dealing with Pyongyang, and liberals, who will say he has blown his last chance to relieve tensions they believe were created by his aid-for-denuclearization stance. "It's a very critical blow to the president that will undermine further his popularity, which already has been declining because of economic trouble," said Kang Wong-taek, a political scientist at Seoul National University. "Especially for conservative voters, the attempt of a secret contact for a summit is likely to be regarded as a betrayal." The main opposition Democratic Party issued a statement saying that if North Korea's statement is true, Lee has a double standard of "having an outwardly hard-line North Korea policy while begging for a summit behind the scenes." It also criticized Pyongyang for revealing secret negotiations and urged both governments to figure out a way to talk. Moon Chung-in, a Yonsei University professor who participated in inter-Korean summits in 2000 and 2007, said North Korea's revelation of behind-the-scenes discussions was unprecedented. "I think the prospect for a summit is done," Moon said. "North Korea is not interested in dealing with President Lee." (Evan Ramstad, "North Korea Says It Rejected Secret Summit Offer," *Wall Street Journal*, June 1, 2011)

NDC reply to KCNA question: "On 19 May, using someone called a spokesman of Chongwadae as a front, the Lee Myung-bak gang of traitors churned out rumors purporting that the true message of the traitor's so-called Berlin proposal was delivered to us at a secret contact that was recently underway in Beijing between the North and the South. It circulated the same thing on several occasions later. The Lee

Myung-bak gang of traitors are fabrication experts making things out of nothing and denying doing anything, and thugs ditching even pledges avowed to the nation like pieces of trash. The Cheonan sinking incident and the Yeonpyeong Island artillery battle are good examples of that. It is a naked lie to say that the true message of some Berlin proposal by the traitor Lee Myung-bak was explained to us at the Beijing secret contact. With the Lee Myung-bak gang of traitors making the first move by publicizing the fabricated outcome of the Beijing secret contact through someone called a Chongwadae spokesman and circulating one piece of baloney after another, we, too, are compelled to disclose the true facts of what happened. Realizing that its inability to escape the responsibility for having pushed North-South relations into catastrophe could further aggravate the crisis facing the latter part of its term in power, the Lee Myung-bak gang of traitors repeatedly made pleas in April of this year by saying, Let us please make secret contact on a summit, and we promise not to make another mention of the Cheonan sinking incident or the Yeonpyeong Island shelling incident. At the same time, they made lengthy excuses about Lee Myung-bak's policy toward the North as something intended to improve North-South relations, though it was misunderstood by the North. However, Kim Ch'o'n-sik, director of the [Unification] Policy Office at the puppet Ministry of Unification, Hong Ch'ang-hwa, an office director of the [National] Intelligence Service, and Kim T'ae-hyo, secretary for foreign strategy at the Ch'o'ngwadae Secretariat, who came to the table at the secret contact that began on 9 May, reneged on the earlier promise they made to us and began playing tricks to get our apology, calling the Cheonan sinking incident and the Yeonpyeong Island shelling incident mountains to cleverly climb over toward improved North-South relations. When our side drew the line against apologizing for an incident that had nothing to do with us and a legitimate self-defensive measure as nonsense, they begged us to please give a concession by putting out to the world a compromise that might look like an apology to the South but not to the North one way or another. **Our side said there was no point of discussing the issue of holding a highest-level meeting under the premise of making an apology, which was out of the question,** and told them to go back to Seoul right away, while they tried everything to keep the contact going by saying that Lee Myung-bak's term in office was getting short. Time was running out for the incumbent authorities, and it would be easier to work with conservative forces than progressive forces, when it comes to North-South relations. Then, **they begged us to please take pity on their difficult circumstances, saying that the schedule for holding a summit was already arranged with a view to announcing an agreement at a ministerial meeting on the summit sometime in late May, following the settlement of the two incidents, and holding the first summit sometime in late June at P'anmunjom, a second summit two months later in Pyongyang, and a third summit during the Nuclear Security Summit next March.** Our side responded by **asserting a stern stance against holding a highest-level meeting as long as the South side kept insisting on its anti-Republic hostile policy with continued clamoring for nuclear abandonment first and an apology over the two incidents, and, in a move to buy out somebody, the South side unabashedly put out a cash envelope on the table, saying, Show us at least a gesture of regret over the two incidents, let us tie up loose ends on this matter when we meet in Malaysia next time, and let us move quickly toward opening the summit, but they only succeeded in embarrassing themselves.** The puppets

repeatedly asked for assurances that the North would keep anything related to this contact secret because no one knew about it other than Unification Minister Hyun In-taek, the director of the NIS, and the chief presidential secretary organizing this secret contact as well as people sent to the field, saying, Things are complicated in the South, unlike in the North, it is not good if what is said at this secret contact becomes known in the South, and please make sure it is kept in secret. These are the same people that fabricated the outcome of the Beijing secret contact and moved first to make it public for the purpose of advertizing the legitimacy of some Berlin proposal of the traitor Lee Myung-bak. That is exactly the ins and outs of the secret contact where the true message of the Berlin proposal was delivered to the North around 19 May, as claimed by the Chongwadae spokesman. or staged such a play as to irresponsibly publicize distorted facts about the unofficial contact. All these facts starkly show how hard the Lee Myung-bak gang of traitors are struggling in the latter part of their term in power to escape the responsibility for having ruined North-South relations. However, no matter how desperately the traitor tries, there is no getting out of the anti-nation, anti-reunification crimes it perpetrated over the first three years in power. We will make every effort possible to ensure the peace, reunification, and stability of the Korean peninsula but will no longer deal with the Lee Myung-bak gang of traitors that are double-dealing and shabbily behaving for sinister political purposes. This has been the reply by the spokesman of the National Defense Commission of the Democratic People's Republic of Korea." (KCNA, "No High Tricks Offer Escape From the Responsibility for Having Ruined North-South Relations," June 1, 2011)

Intelligence sources in Seoul said North Korea test-fired a short-range missile off its western coast last week, shortly after threatening to suspend all dialogue with the southern rival. "North Korea fired a KN-06 short-range missile off its west coast in the middle of last week," a source here said on the condition of anonymity. "The launch is seen as a test to improve the KN-06 missile." The launch would be the North's first test of short-range missiles in 19 months. In October 2009, North Korea test-fired five KN-02 surface-to-surface missiles off its east coast. The report comes only days after Pyongyang's military threatened an "overall" military retaliation against South Korea over its reserve forces units' usage of North Korean leaders' photographs as targets during firing drills. "From now on, the units of the three services of the Korea People's Army and the Worker-Peasant Red Guards will launch practical and overall retaliatory military actions to wipe out the group of traitors at a stroke," said a spokesman for the General Staff of the Korean People's Army in a statement carried by KCNA. (Shin Hae-in, "Inter-Korean Ties Still Frosty after N.K. Claim," *Korea Herald*, June 8, 2011) North Korea's test launch of a KN-06 surface-to-air missile into the West Sea early this month appears to have been successful, South Korean Defense Minister Kim Kwan-jin said at a hearing by the National Assembly's Defense Committee on June 13. "We believe North Korea was testing its latest weapon system and we have concluded that it was a success," Kim said, offering the first such confirmation of the test launch. North Korea unveiled the missile at a military parade celebrating the 65th anniversary of the founding of its Workers Party on October 10 last year. South Korea officially verified it as a KN-06 in its 2010 Defense White Paper. The KN-06 is a surface-to-air missile that shoots down enemy fighters. Unlike previous North Korean missiles, such as the KN-02 inter-continental ballistic missile that follows an arch-like trajectory, the KN-06 is stored

in a launching tube and fired vertically toward a flying target. It is similar to the Russian S-300, which is used to shoot down other missiles, and seems to be based on technology that North Korea secretly obtained from China, Russia and other countries. Showing its evolution from the S-300, which had a range of between 75 km and 90 km, the KN-06 is apparently capable of hitting targets up to 150 km away. Each launcher truck can hold two to three missiles. (*Chosun Ilbo*, "N. Korea Successfully Test Fired Short-Range Missile," June 14, 2011)

6/2/11

A U.S. diplomat just back from his first trip to North Korea reported that a government minister had asked him to return for more discussions. "They were willing to talk about human rights. They were willing to look at some of the issues that we are raising with them," Robert R. King, the Obama administration's special envoy for North Korean human rights issues, told a House committee. He said the North Korean official, Kim Kye-gwan, "invited me back to have a discussion on human rights and I look forward to possibly having that opportunity," King said. "This is a significant first step and I believe we can build up on this foundation with our partners who share our deep concerns about the North Korean people." He said the first vice minister of foreign affairs had indicated during their 20-minute conversation that North Korea was ready to keep talking. South Korea and critics in the U.S. question whether the North's need is so dire and if any aid would be diverted to the powerful military or ruling elite, ahead of the centennial in 2012 of North Korea's founder, Kim Il Sung. "There should be strong opposition in the Congress to any attempt to provide food assistance paid for by the American taxpayer for more bread and circuses in Pyongyang," said Florida GOP Rep. Ileana Ros-Lehtinen, who heads the committee. (Associated Press, "U.S. Human Rights Envoy Invited Back to North Korea; Food Assistance Sought," June 2, 2011; Shaun Tandon, "U.S. Concerned on North Korea Aid But Hopes on Rights, AFP, June 2, 2011)

North Korea was ready to express vague regret about the loss of South Korean lives in last year's attacks on the Navy corvette Cheonan and Yeonpyeong Island when the two sides met secretly in May, a lawmaker claims. Park Sun-young of the Liberty Forward Party, who is a member of the Foreign Affairs, Trade and Unification Committee at the National Assembly, said she heard this from a credible government source. "North Korean officials even said they would consider making comments that could be interpreted as an apology by South Korea." But Seoul demanded a stronger apology, and this led to tensions in the secret talks, she said. (*Chosun Ilbo*, "N. Korea 'Was Willing to Express Regret over Attacks,'" June 3, 2011)

Steve House can't stop thinking about the day in 1978 when he says he helped bury toxic Agent Orange at a U.S. military base in South Korea, hauling rusting drums to a ditch from a warehouse that soldiers called "voodoo land." House claims that soldiers at Camp Carroll in southern South Korea took a large number of 55-gallon drums, fragile with rust and stamped with the words "Agent Compound Orange," from the mysterious, restricted warehouse and carried them over crisp dead grass into a deep ditch the length of a soccer field. After decades of silence and countless hours of suffering that he links to exposure to the dangerous herbicide, House is one of three former American soldiers whose accounts have sparked a joint U.S.-South Korean

investigation. South Korean technicians conduct a ground-penetrating radar survey of alleged burial of a highly toxic defoliant at Camp Carroll, a US army logistics base, in Waegwan in Chilgok county, 216-km (135 miles) southeast of Seoul, Thursday, June 2, 2011. South Korea and the United States are on a joint investigation after American veterans claimed they buried large amounts of Agent Orange at Camp Carroll in 1978. The allegations have set off a media firestorm in South Korea, fueling daily TV news shows, front-page newspaper stories and worries among people near the base about groundwater safety, cancer and drops in land prices. South Korean news organizations have generally praised the U.S. response this time. But the swift investigation also "reflects the severity of the problem," the Korea JoongAng Daily newspaper said in an editorial. "Both allies must keep in mind that any effort to distort or cover up the truth will only exacerbate the situation." (Associated Press, "After Three Decades of Silence, U.S. Soldiers Say They Buried Toxic Agent Orange in Korea," June 2, 2011)

6/3/11

KPA General Staff spokesman's statement: "The Lee Myung-bak group of traitors kicked up much fuss after hurling puppet military hooligans into drill grounds in various parts of South Korea including Yangju and Incheon City, Kyonggi Province, to display slogans and posters slandering the socialist system in the DPRK. Not content with this, they staged such rowdiness as setting up a target and daring fire at it, a thrice-cursed criminal act of hurting the supreme dignity of the DPRK. This is nothing but hysteric spasm hard to imagine with a normal brain and a height of confrontation with compatriots, action shocking all the Koreans. Last year the group instigated hooligans to shell at a DPRK flag as a target, sparking off a strong uproar. The recent hideous provocation is a never-to-be pardoned treason. There were in the south 'Yusin' dictator who earned an ill fame for escalating confrontation with fellow countrymen and a military fascist man-hunter who made the nation shudder. But they dared not hurt the supreme dignity of the DPRK. They knew very well that everything between the north and the south including the bilateral relations is bound to collapse if they challenge the DPRK as its people consider its supreme dignity as the dignity and honor common to the nation and turn out as one to protect it even if the sky falls and the earth breaks apart. **The Lee group betrayed without hesitation its true colors as maniacs keen on confrontation** with fellow countrymen who would make even the successive fascists blush and as gangsters ignorant of even elementary ethics and morality. Upon hearing the news of the above-said rowdiness, different social circles of South Korea are stunned by the extremely awful hideous provocation committed by the group which no longer wants to remain human beings and are branding it as 'a blatant challenge' unprecedented in the history of inter-Korean relations and 'an unheard-of politically motivated provocation' to spark off resistance of all Koreans. Much upset by this, the Lee group is pretending to know about it for the first time and the puppet military warmongers are staging such poor farce as floating the story that it was an 'individual action.' The group, however, can never shirk the responsibility for its treason. The General Staff of the KPA clarifies the following stand, reflecting the towering resentment of the KPA and people against the hideous provocation committed by the group and their unanimous will to take a thousand-fold revenge upon it: 1. **The South Korean puppet authorities should take a measure for immediately meting out a stern punishment to the prime movers who committed the above-said most hideous crimes against**

the nation. There is no room in this land for those who did harm to the absolute authority of the supreme headquarters of the DPRK even a bit. The puppet authorities should take an immediate step to punish in the name of the nation traitor Lee Myung-bak who spearheaded the campaign for inciting hostility toward the DPRK as soon as he came to power, Kim Kwan Jin, puppet minister of Defense, who issued an order to strengthen the 'view on security' and 'the view on the principal enemy' as guidelines for training the units of the puppet army this year and committed the above-said hideous crimes as part of the moves for implementing it and other military hooligans. The DPRK will follow with high vigilance the attitude of the South Korean puppet authorities towards the recent hideous crimes. 2. The South Korean puppet authorities should **make a formal apology** to the whole nation for the hideous provocation and provide an official guarantee for thoroughly preventing its recurrence. There can be neither excuse nor empty talk about the thrice-cursed crimes. Today when the determination of the enraged KPA and people to make retaliation is running high, the puppet authorities should apologize to the nation for the evil deeds committed by traitor Lee Myung-bak and the puppet army hooligans and take a responsible step for their prevention. 3. From now on the units of the three services of the KPA and the Worker-Peasant Red Guards will **launch practical and overall retaliatory military actions** to wipe out the group of traitors at a stroke. **It is the final conclusion drawn by the DPRK that there is no need to sit face to face with the Lee group** of traitors hell-bent on the confrontation with fellow countrymen and that it is necessary to settle accounts with it only by force of arms. The despicable true colors of the group have already been laid bare. All the units of the three services of the KPA and the Worker-Peasant Red Guards will escalate the practical and overall retaliatory military actions till the puppet authorities have taken measures to punish the prime movers for the recent cases and make an apology for them. The world will clearly witness what are the retaliatory actions to be taken by the whole army and all the people to protect the supreme dignity of the country and nation and what destiny will await Lee Myung-bak, the traitor for all ages, and the puppet military warmongers running wild without any fear." (KCNA, "KPA to Take Thousand-Fold Revenge on Lee Myung-bak Group: spokesman for KPA General Staff," June 3, 2011)

In a press briefing, State Department deputy spokesman Mark Toner played down Pyongyang's latest statement disclosing details of what it calls a secret meeting with South Korea as a typical tactic to keep tensions high. "Well, again, we've been pretty consistent about saying that North Korea needs to improve North-South relations and demonstrate a change in behavior before we can move forward, and this includes ceasing provocative actions," he said. "I don't know if it's a ratcheting up of tensions," Toner said. "I would just say that it's more of the same we're hearing, more of the same rhetoric that we've heard before from North Korea, and it's not getting us any closer to improving those North-South relations." Regardless, he said Washington's ongoing consideration of whether to resume food aid for Pyongyang would remain unaffected. "I've said very clearly that our food assistance program is a separate piece altogether from the policy side of that. What we're looking for on the policy side is not at all affected or has an effect on our food assistance program," he said. (Yonhap, "U.S. Plays down N.K. Statement on Inter-Korean Ties," *Korea Times*, June 3, 2011)

South Korea's main opposition party hit out against the government's "hard-line" North Korea policy after Pyongyang's embarrassing revelations about a failed secret meeting that have derailed a push for inter-Korean dialogue. The North blindsided Washington and Seoul this week with a rash of anti-South vitriol, signaling its leader Kim Jong-il probably wants to sit out the term of President Lee Myung-bak due to end in 2013. Local media said the North wanted to create an internal political divide in the South, and that it was prepared now to wait for the election of a new president to discuss ways to resolve inter-Korean issues. The leading candidates from two main parties take a more dovish stance on the reclusive North than Lee, who infuriated Pyongyang upon taking office in 2008 by cutting aid and saying it would not only resume help when the North denuclearized. "If the government truly wants dialogue with North Korea, it should first discard the hard-line policy toward the North and begin unconditional dialogue to provide humanitarian assistance, including rice, and improve inter-Korean relations," Kim Jin-pyo, the Democratic Party's floor leader, told parliament in Seoul. "The Democratic Party supports all forms of dialogue efforts, including summit talks, if they are for the sake of improving inter-Korean relations, but such efforts should be made in a dignified way," Kim said. (Jeremy Laurence, "South Korean Political Row Opens over Approach to North Talks," Reuters, June 3, 2011)

Ambassador Sung Kim, 51, who has served as a special envoy for the six-party talks, has been nominated ambassador to South Korea. This marks the first-time in 129 years of Korean-U.S. diplomatic relations that an individual of Korean descent has been appointed as U.S. ambassador. Kim's father was implicated in the abduction of Kim Dae-jung during the Park Chung-hee administration while serving as a minister to Japan. A 2007 report on the abduction produced by the National Intelligence Service Truth and Reconciliation Commission said that Kim's father "received orders from the Korean Central Intelligence Agency to abduct Kim Dae-jung and demanded confirmation, saying that he 'could not pursue the operation before verifying the approval of President Park Chung-hee.'" Kim's father ended up leaving his post for the United States in the wake of the abduction. This resulted in the name change from Kim Seong-yong to Sung Kim. Kim' father was abducted to North Korea in 1958 by an armed assailant after boarding a Korea National Airlines light aircraft bound for Seoul from Busan. He was returned to South Korea around three weeks later by way of Panmunjom. Kim, who immigrated to Los Angeles with his parents, graduated from the University of Pennsylvania and attended law school at Loyola University. He worked as a prosecutor before entering the State Department in the mid-1990s, where he has since spent many years handling issues related the Korean Peninsula. In 2003, he worked as a first secretary for the U.S. Embassy in Seoul. Kim, whose Korean name is Kim Seong-yong, is the nephew of former MBC executive director Lim Taek-geun, who was a famous announcer in the 1960s and 1970s, and the cousin of singer Yim Jae-beom. (Kwon Tae-ho, "Sung Kim to Become First Ambassador of Korean Descent," *Hankyore*, June 6, 2011)

Defense Secretary Robert Gates said the United States is not interested in "destabilizing North Korea" or regime, in remarks made at the 10th Shangri-La Dialogue in Singapore. Gates said America hopes six-party denuclearization talks will "get the North Koreans

to live by the same rules of international engagement that everyone else does." Gates underlined the importance of the alliance with Seoul at the Singapore. "The U.S. alliance with the Republic of Korea remains another pillar of our Asia-Pacific security strategy," he said, "one that has emerged out of its Cold War origins to confront a new array of security challenges in the region and globally as well." With North Korea in mind, Gates also said the alliance is "not designed to simply stand against another nation." Possible resumption of U.S. food aid to North Korea has put Washington at odds with Seoul, but South Korean diplomatic sources said its government's opinion had been taken seriously and factored into the U.S. decision. Gates said "the danger of unpredictable escalation in the event of another provocation" is something that must be worked out among the six nations that make up the denuclearization talks. Gates said North Korea has made provocations before and has been rewarded with negotiations and concessions. That should not happen again, the defense secretary said. "I'm tired of buying the same horse twice," Gates said. "And so I think the time has come to make some long-term judgments and some long-term decisions in terms of how the international community deals with North Korea and the expectations we have of North Korean behavior." (Christine Kim, "U.S. Doesn't Want Regime Change in North," *JoongAng Ilbo*, June 7, 2011)

The support rating for the Cabinet of Prime Minister Naoto Kan stands at 33.4 percent, a Kyodo News survey showed, up from 28.1 percent in its previous survey taken in mid-May. In the nationwide telephone poll held June 1-2 following the defeat in parliament of a no-confidence motion against Kan's Cabinet, the respondents were split over whether Kan should step down, with 48.1 percent favoring his resignation and 45.1 percent saying he does not have to quit. The survey showed an overwhelming majority of the respondents, 89.4 percent, disapproved of anti-Kan moves by those loyal to Ichiro Ozawa, the prime minister's main rival in the ruling Democratic Party of Japan, according to the survey. (Kyodo, "Public Support for Kan's Cabinet Rises above 30 %: Kyodo Poll," June 3, 2011)

6/4/11

Rodong Sinmun signed commentary: "Upon hearing the news that the traitorous gang -- which used to indiscreetly run amok like a puppy who does not know how frightening a tiger is -- has now even dared to commit a heinous extra-large act of provocation that irritated our supreme dignity, our army can no longer tolerate it. Those who irritate our supreme dignity even in the slightest degree do not have any place to live and breathe on this land. This is our army's firm and merciless decision which has been already spelled out. Great leader Comrade Kim Jong Il pointed out as follows: "The people's army is the revolutionary armed forces of our party, and the mission of the people's army is to guarantee the party's revolutionary cause by force of arms." The traitorous gang's extra-large act of provocation that irritated our supreme dignity this time is high treason that cannot be tolerated in a thousand years. The traitorous gang, which caused such a stir last year by setting up our Republic flag as a target and firing at it, recently displayed insanity by daring to make a target that irritated our supreme dignity, and recklessly fired bullets at it. This antinational criminal act of the traitorous gang is currently stirring up raging indignation and hostility in our people's army, which is the army of the party and the army of the leader. Our army is seething with the single intent of retaliating a hundred and a thousand times over the

extra-large act of provocation committed by the traitorous gang. There can be no excuse for the extra-large act of provocation committed by the traitorous gang this time. Although the traitorous gang committed flagrant high treason that would make the past South Korean fascist maniacs blush, it is shifting, with a straight face, public opinion as if it were a "case of individual action" by a certain somebody. However, such a poorly-staged show does not work on our army. **It is not necessary to sit face to face, in the first place, with the traitorous Lee Myung-bak gang**, which has gone haywire in confronting its fellow countrymen, and it is necessary to settle scores only with gun barrels. This is the final conclusion reached by our army. The ugly true colors of the traitorous gang have been already laid bare in their entirety. Our army does not like a lame word game. Our answer will be given by the Mt Paektu gun barrels which do not know mercy. **From this hour on, our army will enter into the action of all-out practical military retaliation** to sweep away the band of traitors at a single stroke. **We will elevate, step by step, the level of retaliatory military countermeasures** until the traitorous gang takes the measure of punishing the one chiefly responsible for this incident, and subsequently making an apology. The world will clearly see what kind of fate is in store for the traitorous gang which is recklessly rushing about without fear of heaven. There is no place to hide in the world from the bolt of lightning by the powerful revolutionary army of Mt Paektu." (KPA Gen. Kim Chol, "One Who Irritates Our Supreme Dignity Cannot Evade Death," *Rodong Sinmun*, June 4, 2011)

6/5/11 Chinese Defense Minister Liang Guanglie said in a speech at the 10th International Institute for Strategic Studies Asia Security Summit, also known as the Shangri-La Dialogue, in Singapore, "We are trying to persuade them not to take risks." His frank comments about North Korea on Sunday were "extremely rare" according to a South Korean intelligence official. (*Chosun Ilbo*, "Cracks Open in N. Korea-China Ties, June 7, 2011)

6/6/11 *Rodong Sinmun* by-lined article: "Under the situation where the south Korean puppet conservative forces' confrontation with the DPRK has reached such dangerous phase that it is unimaginable and intolerable, it is a sacred national duty to protect the supreme dignity of the DPRK. Last year the south Korean group of traitors set up a national flag of the DPRK as a target and fired shells at it, sparking strong uproar. The group perpetrated this time a more vicious political and military provocation, far from drawing a lesson from it. This crime is unpardonable, indeed. The puppet forces are employing sleight of hand to shirk the responsibility for the worst treachery, talking about 'an individual action' and the like but it is a foolish artifice. The final conclusion drawn by the DPRK under the prevailing grave situation is that no problem can be solved and a war is bound to break out as long as the Lee Myung Bak group of traitors is allowed to pursue the confrontation with compatriots. **It has now become clear that there is no need to sit face to face with the group and the DPRK can settle accounts with it only by force of arms.** The DPRK will escalate the practical and comprehensive military retaliation as it had already declared till the puppet authorities have taken measures to punish the prime movers of the recent serious case and to make an apology for it. Should the puppet forces evade the responsibility for the case, making this or that excuse for their crime, they will clearly witness what strong retaliatory action all the service persons and people of the DPRK will take to protect the

supreme dignity of the country and the nation. (KCNA, "Rodong Sinmun on Sacred National Duty to Protect Supreme Dignity of DPRK," June 6, 2011)

North Korea "decided to set up the Hwanggumphyong and Wihwa Islands Economic Zone in order to boost the DPRK-China friendship and expand and develop the external economic relations," the North's Supreme People's Assembly said in a decree carried by KCNA. Quoting the decree, the KCNA said North Korea will wield its sovereignty over the zone and that the development will start from the Hwanggumphyong district. The two islands that sit at the estuary of the Yalu River have long been tapped as a joint economic development zone between North Korea and China. (Yonhap, "N. Korea to Set up Economic Zone on Islands on Border with China," June 6, 2011)

Five officials from the European Commission's humanitarian department arrived in North Korea to assess the food situation. (Yun Suh-young, "EU Team Arrives in NK to Inspect Food Situation," *Korea Times*, June 6, 2011)

6/8/11 North Korea and China broke ground on a border island to develop it into an economic zone, spurring speculation that Pyongyang may embrace Chinese-style economic development to try to revive its faltering economy. Some 1,000 people from North Korea and China, including Kim's brother-in-law, Jang Song-thaek, and Chinese Commerce Minister Chen Deming, attended the ceremony on Hwanggumphyong Island in the Yalu River that separates the two countries. (Yonhap, "N. Korea, China Break Ground on Their Joint Economic Zone," June 8, 2011) In the North's outline for the project, China will be in charge of the area on a long-term lease, and four separate industrial areas will be for communications manufacturing, tourism, contemporary farming and industrial processing. A port will also be constructed connecting Hwanggumphyong to the Sinuiju area. Roads will be built across the island, and two bridges will connect the island with Dandong. North Korea tried to develop its northeastern area as an industrial zone in 2002 and 2006. Both failed due to disagreements with China. (Christine Kim and Chang Se-jeong, "China and North Break Ground on Industrial Zone," *JoongAng Ilbo*, June 8, 2011)

6/9/11 North Korea threatened to disclose voice recordings of a secret meeting it had with South Korea last month, during which Seoul allegedly proposed holding a series of inter-Korean summits. (Yonhap, "N. Korea Threatens to Disclose Voice Recordings of Secret Meetings with S. Korea," June 9, 2011)

KCNA: "The Lee Myung Bak group of traitors let a spokesman for Chongwadae make an official announcement that the 'true intention' reflected in Lee's 'Berlin proposal' was conveyed to the DPRK side at a secret contact made between the north and the south of Korea in Beijing. It had been already disclosed before the world that it was a sheer lie. Much upset by the first announcement made by the DPRK, the group of traitors falsified the fact, claiming that there was a secret contact with the DPRK but it was a contact not aimed to have 'summit talks' but wrest 'the north's admittance and apology' for 'the Cheonan' warship sinking case and the Yeonphyeong Island shelling incident. It went the lengths of denying all facts that had been brought to light and

negating and distorting them without any ground and sidestepping all issues. Not content with it, the group orchestrated a new farce pulling up the DPRK with another lie that the 'accounts' of the secret contact were misrepresented by the spokesman for the National Defense Commission of the DPRK. The delegate of the Policy Department of the NDC who participated in the contact gave the following answers to the questions raised by KCNA reporter on [June 9] in this regard: As already opened to the public, the group of traitors came out to the north-south secret contact, prompted by a foolish intention to shirk the responsibility for the total collapse of the inter-Korean relations. By origin, the DPRK was well aware of the group's inveterate rejection of fellow countrymen and its true nature of confrontation hysteria. But when the south side repeatedly proposed having a secret contact while clarifying its stand that 'it would no longer pick up the above-said two cases,' the DPRK responded to it with the thought that it would not be bad to finally confirm, availing itself of the opportunity, whether it has a will to improve the inter-Korean relations and jointly pave the way for independent reunification, peace and prosperity or not. But the attitude of the group manifested in the course of the secret contact proved that it sought only one sinister aim: to evade the responsibility for having driven the inter-Korean relations to collapse and create an environment favorable for 'presidential' and 'national assembly' elections to be held next year, indifferent to the requirements of the era and the desire of the fellow countrymen for national reconciliation, cooperation, peace and detente. A typical example of its moves was the perfidy committed by the group. It behaved so recklessly as opening to the public before any others the misrepresented accounts of the secret contact. Not content with this, the group played jugglery of persistently evading the blame for what it said and did against the nation in the course of the contact and denying them. We would like to cite specific facts to prove once again how nonsensically the group of traitors uttered. To begin with, the group's assertion that the already disclosed contact was not aimed to open 'summit talks' was a sheer lie. We would like to quote what Kim Chon-sik, policy room chief of the puppet Ministry of Unification, uttered at the contact. As soon as he met us, he hyped the 'meaning' of the recent contact, reminding us that the contact was provided by the direct instruction and 'approval' of the 'president' for the purpose of opening 'summit talks.' He noted that Hyon In-thaek, minister of Unification, was directly supervising the whole course of the contact and reporting about it to Chongwadae through an exclusive line. Kim Chon-sik emphasized the fact that the contact was different from the secret contacts the secretariat of the 'president' and the Intelligence Service had, independent of the above-said ministry in the past. He repeatedly requested the DPRK side to keep all the accounts of the contact in secrecy till the contact proved successful as the contact was treated as a top secret known only to Lee Myung-bak, Hyon In-thaek, the chief of the Intelligence Service, the chief of the Secretariat of the President and those who were dispatched to it and if this was known to the south Korean society, it would be very bad because of its peculiarities. Next, the south side's insistence that it neither put forth any compromise proposal regarding 'apology' nor begged for it was a shameful excuse. This moment, too, we clearly remember the words of the south side that the above-said two cases are the two "mountains to be crossed with wisdom" for improving the inter-Korean relations, describing them as an instruction from Hyon. When it raised the issue of 'apology,' while talking about 'feelings of the south' towards the 'Cheonan' warship case only to meet a prompt rebuff from our side at the contact, **the south side**

yielded a step and asked the DPRK side to make even a compromise proposal which cannot be interpreted as "apology" when viewed by the north side but viewed by the south side as 'apology.' Finding this not workable, the south side said if the north side expresses 'regret' at least, the south side would accept it as 'apology' and roll back its policy of confrontation pursued so far and even the 'summit talks' could be rapidly pushed forward. Our side explicitly told the south side as follows: To wrest 'apology' from us for the case we had nothing to do with and for the exercise of its legitimate sovereignty is an insult to the DPRK and a manifestation of the south side's sinister intention to escalate the confrontation with the DPRK. You'd better go back to Seoul at once as such secret contact is unnecessary. The group was so pitiful and cowardly as to ask the DPRK side to 'make a clear concession.' Next, the south side's assertion that it never proposed 'summit talks' according to schedule nor can it make its proposal is far-fetched sophism. As regards this, Kim Thae-hyo, presidential secretary for Foreign Strategy of Chongwadae secretariat, might clearly say about it. When the contact came to a rupture without reaching any agreement between both sides due to the south side's unreasonable insistence quite contrary to the principled and logical assertion of our side, Kim Thae-hyo produced a program he claimed was worked out in reflection of the 'intention of the 'president',' saying the 'summit talks' should be opened without fail and the present authorities are pressed for time. This was the timetable for holding secret contact once again in Malaysia and then opening ministerial talks before having 'summit talks' at Panmunjom in June, in Pyongyang in August and Seoul in March next year when the 'summit for nuclear safety' would be held. The DPRK side retorted the south side's assertion, saying what is the use of having such timetable under the present situation where no agreement has been reached. Kim Thae-hyo must remember this well. Can the south side deny the truth, insisting it never made such proposal though it unilaterally produced the above-said timetable that specified the dates and venues of such 'summit talks'? It is ridiculous for the group to plead as nonsense the fact that enveloped money was offered only to be shamed. This fact can be confirmed through Kim Thae-hyo, presidential secretary for external strategy of the Chongwadae Secretariat, and Hong Chang-hwa, department director of the Intelligence Service, **who were playing the leading role of the enveloped money case.** When the contact was on the verge of a rupture, Hong Chang Hwa took out enveloped money from a suitcase at the order of Kim Thae Hyo, who was going to give it to us. We rejected it at once, and Kim blushed and got irritated. Hong hurriedly put the money into the suitcase in an awkward movement and left without exchanging proper parting words with our delegates. At first the group of traitors asserted that there was no case of enveloped money. But now it distorts the fact by claiming that the money was for expenses to be paid traditionally by the sponsor of contact rather than "reward" for leading the contact to 'summit talks.' **If it is usage for a party sponsoring any talks to pay necessary expenses as asserted by the south side, why didn't the south side present the enveloped money at the time of the two preceding rounds of contact?** The south side was well aware that the DPRK embassy provided lodging and boarding and vehicles. Then, was it going to pay the embassy the said enveloped money for living expenses during its stay? Its far-fetched assertion has gone far. The money envelope case will be recorded as another behind-the-scene story in the history of the north-south relations as it was a brainchild of such feeble-minded traitor as Lee Myung-bak and his top-class servants who are

accustomed to assessing everything based on the almighty dollar idea. The DPRK already knew that the group of traitors is made up of master-hands at fabrication. The reason why the DPRK recounts on the secret contact is that the group is now faking up new stories, not content with falsifying the truth. Lee Myung-bak is now letting puppet Prime Minister Kim Hwang-sik who has been kept in the dark about the contact, far from being involved in it say this or that. In the meantime, puppet Minister of Unification Hyon In-thaek who engineered the contact has had hard time, distorting the truth and covering up his true colors as a vicious mastermind in an official appearance. The south Korean authorities are keeping the participants in the contact in complete isolation from the outer world, holding them incommunicado. And Lee Myung-bak, prime mover of the contact, is keeping mum about it in a bid to prevent the greater effect of the case, out of a fear that 'any word out of the president might trigger strong earthquake or tsunami at the moment.' We want to tell those who are anxious to know about the contact. You had better directly ask Lee Myung-bak who instructed officials to hold contact and "approved" it. Then you will understand everything. And please ask Hyon In-thaek who masterminded the whole course of the contact behind the scene. Then you will have the whole story of it. It would be better to inquire Kim Thae-hyo, Kim Chon-sik and Hong Chang-hwa, participants in the contact, for more details. Then everything will become clear. Should they continue to decline to reveal the truth and deceive their fellow countrymen and hatch plots, the DPRK will have no other choice but to make public the tape recording the whole course of the contact before the world. The reason why the DPRK takes such measures is that the north-south relations are the most important issue common to the nation and that those measures are aimed to save the policy for fellow countrymen from being abused by some selfish traitors and to make it completely serve the interests of the popular masses, the maker of the policy. Time will irrefutably prove the nature of the Lee Myung-bak group of traitors as betes noires who had been so brazenfaced as to make the mockery of the nation through falsity and deception, being keen on escalating confrontation with fellow countrymen. The Lee Myung-bak group of traitors would be well advised to make a clean breast of the contact before it becomes too late." (KCNA, "Lie about Beijing Secret Contact Spread by Lee Myung-bak Group Refuted," June 9, 2011)

A 17-member North Korean taekwondo team arrived in San Francisco at 10:40 a.m. to tour the United States, putting on rare overseas performances amid hopes of a thaw in Pyongyang-Washington relations as the U.S. appears to be preparing for the resumption of food aid to the North. The Tae Kwon Do Times, a U.S.-based magazine specializing in the martial art, arranged the trip. The athletes were to perform in Boston, New York and Philadelphia from this weekend through next week, according to officials at the magazine. (Yonhap, "North Korean Taekwondo Squad Goes on Rare U.S. Tour," North Korea Newsletter No. 162, June 16, 2011)

6/10/11

North Korea and China held a strategic dialogue on June 10 when a delegation of the Communist Party of China (CPC) visited the North to discuss matters in common and increasing friendship with the North's governing Workers' Party of Korea (WPK), KCNA reported. It is unprecedented for the socialist country to hold such a strategic dialogue with another country. Held at the Mansudae Assembly Hall in the North Korean capital,

the strategic dialogue was attended, from the North Korean side, by Choe Thae-bok, chairman of the Supreme People's Assembly and also member of the Political Bureau and secretary of the Central Committee of the WPK, the KCNA said. Other participants from the Chinese side were Wang Jiarui, head of the International Liaison Department of the Central Committee of the CPC; Sun Zhengcai, secretary of the Jilin Provincial Committee of the CPC; and Liu Hongcai, Chinese ambassador to North Korea. On June 13 Kim Jong-il himself met with the Chinese delegation headed by Li Yuanchao, head of the Communist Party's Organization Department. Li is also a member of the Political Bureau and the Secretariat of the Central Committee of the CPC. According to the KCNA report, Li conveyed Hu's warm greetings to the North Korean leader and presented gifts to Kim Jong-il and his youngest son and heir apparent, Kim Jong-un. "Kim Jong-il's recent unofficial visit to China was of particularly important significance in developing the unity and traditional friendly and cooperative relations between the two parties and two countries onto a higher stage," Li said, noting that the Chinese party, government and people have high expectations for the contributions made by Kim Jong-il to the development of Sino-DPRK (North Korea) friendship. "Kim Jong-il expressed the will of the WPK and the DPRK government to further boost the friendly and cooperative relations in conformity with the noble intention of the leaders of the elder generations of the two countries and the desire of the two peoples," the KCNA said. Both the DPRK and China should learn from each other and swap experience in many aspects, Kim said, predicting a successful dialogue between the delegations of the WPK and the CPC in Pyongyang this time. Kim Jong-il later hosted a luncheon for the guests. More than 10 years have passed since the head of CPC's Organization Department has visited North Korea. On June 14 when he was leaving the North, Li said in a speech that China and the DPRK are **friendly neighbors** sharing mountains and rivers, adding: "President Kim Il-sung, together with Chinese comrades, waged the struggle against the common enemy during the anti-Japanese revolutionary struggle," according to KCNA. (Yonhap, "North Korea, China Hold Strategic Dialogue in Pyongyang," North Korea Newsletter No. 162, June 16, 2011)

Assistant Secretary for East Asian and Pacific Affairs Kurt Campbell told reporters in Seoul, "I think it would be fair to say that the Chinese interlocutors were concerned by the disruption in talks and a little surprised, and very much want to see improvement in dialogue between the North and the South, and we've encouraged that process as well." "Kim Jong-il, I think as you know, had recently been in China, and when he was there I don't think the North Koreans gave any indication that they were about to so abruptly break off contact and so publicly with South Korea," Campbell said. "I think we expressed our concerns and I think all of our Chinese interlocutors ... indicated that they had no knowledge in advance that such steps were being contemplated." The United States supports South Korea's view that inter-Korean dialogue should take place before the resumption of talks between Washington and Pyongyang or the stalled six-party denuclearization talks. "We believe that the essential approach that South Korea has laid out is the right one. We would like to see a resumption of talks and dialogue, but we also believe that the South Korean approach will bear fruit." (Yonhap, "U.S. Supports S. Korea's Policy on N. Korea: Campbell," June 10, 2011)

6/12/11

The Obama administration is leading a global effort to deploy "shadow" Internet and mobile phone systems that dissidents can use to undermine repressive governments that seek to silence them by censoring or shutting down telecommunications networks. The effort includes secretive projects to create independent cellphone networks inside foreign countries, as well as one operation out of a spy novel in a fifth-floor shop on L Street in Washington, where a group of young entrepreneurs who look as if they could be in a garage band are fitting deceptively innocent-looking hardware into a prototype "Internet in a suitcase." Financed with a \$2 million State Department grant, the suitcase could be secreted across a border and quickly set up to allow wireless communication over a wide area with a link to the global Internet. Sometimes the State Department is simply taking advantage of enterprising dissidents who have found ways to get around government censorship. American diplomats are meeting with operatives who have been burying Chinese cellphones in the hills near the border with North Korea, where they can be dug up and used to make furtive calls, according to interviews and the diplomatic cables. The new initiatives have found a champion in Secretary of State Hillary Rodham Clinton, whose department is spearheading the American effort. "We see more and more people around the globe using the Internet, mobile phones and other technologies to make their voices heard as they protest against injustice and seek to realize their aspirations," Mrs. Clinton said in an e-mail response to a query on the topic. "There is a historic opportunity to effect positive change, change America supports," she said. "So we're focused on helping them do that, on helping them talk to each other, to their communities, to their governments and to the world." Sometimes the State Department is simply taking advantage of enterprising dissidents who have found ways to get around government censorship. American diplomats are meeting with operatives who have been burying Chinese cellphones in the hills near the border with North Korea, where they can be dug up and used to make furtive calls, according to interviews and the diplomatic cables. The new initiatives have found a champion in Secretary of State Hillary Rodham Clinton, whose department is spearheading the American effort. "We see more and more people around the globe using the Internet, mobile phones and other technologies to make their voices heard as they protest against injustice and seek to realize their aspirations," Clinton said in an e-mail response to a query on the topic. "There is a historic opportunity to effect positive change, change America supports," she said. "So we're focused on helping them do that, on helping them talk to each other, to their communities, to their governments and to the world." By the end of 2011, the State Department will have spent some \$70 million on circumvention efforts and related technologies, according to department figures. In May 2009, a North Korean defector named Kim met with officials at the American Consulate in Shenyang, a Chinese city about 120 miles from North Korea, according to a diplomatic cable. Officials wanted to know how Kim, who was active in smuggling others out of the country, communicated across the border. "Kim would not go into much detail," the cable says, but did mention the burying of Chinese cellphones "on hillsides for people to dig up at night." Kim said Dandong, China, and the surrounding Jilin Province "were natural gathering points for cross-border cellphone communication and for meeting sources." The cellphones are able to pick up signals from towers in China, said Libby Liu, head of Radio Free Asia, the United States-financed broadcaster, who confirmed their existence and said her organization uses the calls to collect information for broadcasts as well. The effort, in

what is perhaps the world's most closed nation, suggests just how many independent actors are involved in the subversive efforts. (James Glanz and John Markoff, "U.S. Underwrites Internet Detour around Censors," *New York Times*, June 12, 2011, p. 1)

6/13/11

The United States Navy intercepted a North Korean ship it suspected of carrying missile technology to Myanmar two weeks ago and, after a standoff at sea and several days of diplomatic pressure from Washington and Asia nations, forced the vessel to return home, according to several senior American officials. Washington made no announcement about the operation, which paralleled a similar, far more public confrontation with North Korea two years ago. But in response to questions about what appears to be a growing trade in missiles and missile parts between North Korea and Myanmar – two of the world's most isolated governments – American officials have described the episode as an example of how they can use a combination of naval power and diplomatic pressure to enforce United Nations sanctions imposed after the North's last nuclear test, in 2009. It was a rare victory: a similar shipment of suspected missile parts made it to Myanmar last year before American officials could act. North Korea, aware that shipments leaving the country are under increased scrutiny, has found a profitable trading partner in the authoritarian government in Myanmar. The extent of that trade is unclear to American intelligence agencies. Two years ago, Secretary of State Hillary Rodham Clinton publicly expressed suspicions that Myanmar was attempting to purchase nuclear weapons technology, but it recently said it was too poor to use such technology. And the evidence has been scant at best. (In 2009, India inspected a North Korean ship that was believed to be carrying equipment for a nuclear reactor to Myanmar, but quickly discovered that its contents were legal.) The most recent episode began after American officials tracked a North Korean cargo ship, the *M/V Light*, that was believed to have been involved in previous illegal shipments. Suspecting that it was carrying missile components, they dispatched a Navy vessel, the destroyer *McCampbell*, to track it. "This case had an interesting wrinkle: the ship was North Korean, but it was flagged in Belize," one American official said, meaning it was registered in that Central American nation, perhaps to throw off investigators. But Belize is a member of the Proliferation Security Initiative, an effort begun by President George W. Bush's administration to sign up countries around the world to interdict suspected unconventional weapons. It is an effort that, like the military and C.I.A. drone programs, Mr. Obama has adopted, and one of the rare areas where he has praised his predecessor. According to American officials, the authorities in Belize gave permission to the United States to inspect the ship. On May 26, somewhere south of Shanghai, the *McCampbell* caught up with the cargo ship and hailed it, asking to board the vessel under the authority given by Belize. Four times, the North Koreans refused. As in the 2009 case, which involved the North Korean vessel the *Kong Nam 1*, the White House was unwilling to forcibly board the ship in international waters, fearing a possible firefight and, in the words of one official, a spark "that could ignite the Korean peninsula." Moreover, the Americans did not have definitive proof of what was in the containers – and a mistake would have been embarrassing. "There is always a chance that the North is setting us up for a raid that they know will find nothing," one official said. "So we want to make sure we don't fall into a trap." By happenstance, a group of senior officials from the Association of Southeast Asian Nations – including a representative from Myanmar – was in Washington while the slow-speed chase was

occurring 8,000 miles away. On May 27, when the group visited the Old Executive Office Building opposite the White House, Gary Samore, the president's top nuclear adviser, addressed the officials, urging Vietnam, Thailand, Indonesia and Malaysia to fully join the nonproliferation effort. He then surprised the Asian officials by telling them he had a "sensitive subject" to raise, and described the American suspicions, providing the group with a picture of the ship on its way to Myanmar. He reminded them that under UN Security Council Resolution 1874, its vessels are to be inspected if "reasonable grounds" exist to suspect that weapons are being exported. "The Burmese official in the room protested that we were making accusations," said one American official familiar with the exchange. Myanmar, formerly known as Burma, has denied stockpiling missiles or buying parts from North Korea. It repeated those denials during recent visits to the country by a midlevel State Department official and by Senator John McCain. American officials dismiss those denials, pointing to years of evidence of missile-related purchases during both the Bush and Obama administrations. But they concede they are mystified about Myanmar's motives. The missiles that they believed were aboard the M/V Light have a range of about 350 miles, meaning they could hit parts of India, China, Thailand or Laos – all unlikely targets. The message apparently got across. A few days later, long before approaching Myanmar, the cargo ship stopped dead in the water. Then it turned back to its home port, tracked by American surveillance planes and satellites, and suffering engine trouble along the way. (David E. Sanger, "U.S. Said to Turn Back North Korea Missile Shipment," *New York Times*, June 13, 2011, p. A-4) In an interview with Yonhap, Gary Samore identified the cargo ship as "The Light," saying it may have been going to Myanmar carrying military-related contraband, such as small arms or missile-related items. "We talked directly to the North Koreans. We talked directly to all the Southeast Asian countries, including Myanmar, urging them to inspect the ship if it called into their port," he said, speaking on the sidelines of the Asan Plenum, a nuclear forum, at a Seoul hotel. "The U.S. Navy also contacted the North Korean ship as it was sailing to ask them where they were going and what cargo they were carrying." Another North Korean ship was forced to turn back in 2009 after being suspected of delivering missile components or other military-related supplies to Myanmar. "I think what this shows is that if the international community works together and pays attention, then we have a very good chance of preventing North Korea from exporting military-related commodities that are prohibited by (Resolution) 1874," Samore said. "And obviously, in Southeast Asia, which is a very peaceful part of the world, it would be a real problem if North Korea sells destabilizing technology to Myanmar. So, we're working directly with the Burmese government as well." (Yonhap, "U.S. Intercepted N. Korean Ship Suspected of Carrying Military Contraband: Official," June 13, 2011) U.S. officials said that they sought cooperation from countries in the region to prevent the cargo ship *M/V Light* from reaching its destination and that a U.S. warship intercepted it in late May in the South China Sea to request an inspection. After repeatedly refusing requests to board, the *Light* turned back toward North Korea just prior to entering the Strait of Malacca, a 500 mile-wide waterway between Indonesia and Malaysia that serves as one of the world's major sea lanes. "Since we had alerted the Singaporean and Malaysian authorities, there might have been concern [in Pyongyang] whether it could pass through the straits without action by either of those countries," White House Coordinator for Arms Control and Weapons of Mass Destruction Terrorism Gary Samore told *The Wall Street*

Journal June 14. Samore said North Korea claimed the shipment contained industrial chemicals bound for Bangladesh. The United States was granted authorization to inspect the *Light* by Belize, where the ship is registered. Belize allows its flag to be used as a "flag of convenience," which means that a ship with a non-Belizean owner is registered in Belize and flies its flag. Such flags of convenience are often abused by smugglers seeking to obscure the ownership of a vessel, but the flag state maintains jurisdiction over the ship and can authorize boarding by a third party. Belize signed a ship-boarding agreement with the United States under the U.S.-led Proliferation Security Initiative in 2005. That agreement establishes a procedure for boarding ships suspected of trafficking in nonconventional weapons and related materials, including on the high seas. Choosing to board the *Light* may have carried some risks, given the uncertainty regarding the vessel's actual cargo. U.S. officials said that although they did not know for certain the contents aboard the ship, the behavior of its crew substantiated U.S. suspicions about its intentions. Department of State spokesman Mark Toner told reporters June 13 that "the ship's master refusing us permission to board it, as well as the fact that it turned and headed back to North Korea," validated concerns that the ship was involved in illegal activity. According to a recent unreleased report, obtained by *Arms Control Today*, by a UN panel overseeing sanctions against North Korea, Pyongyang rarely uses ships such as the *Light* and *Kang Nam* as part of its illicit trafficking operations. In the report, the UN panel said that North Korea "relies only to a very limited extent on its own vessels to deliver illicit shipments to a recipient country," generally doing so only when the route is short enough to avoid port calls where the shipment risks inspection and seizure. The report also said that only a fraction of North Korean cargo vessels sailed under a foreign flag, which suggests that Pyongyang views the use of its own flag as "the best available protection against boarding on the high seas." North Korea has relied instead on foreign-owned ships, as well as air transport, to smuggle goods, employing a range of masking techniques to circumvent UN sanctions, the report said. Myanmar has pledged to honor its obligations under the UN sanctions against North Korea. Myanmar Vice President Thiha Thura U Tin Aung Myint Oo also told Sen. John McCain (R-Ariz.) during the senator's June 1-3 visit to the country that Myanmar "does not have the economic strength" to pursue nuclear weapons, the country's state-run media reported June 3. (Peter Crail, "U.S. Navy Turns back North Korean Ship," *Arms Control Today*, July/August 2011, pp. 31-32)

North Korea has probably succeeded in miniaturizing a nuclear device, South Korea's defense minister said, an advance that would in theory allow the hermit state to place an atomic warhead on a rocket. Kim Kwan-jin offered no evidence to back his assertion but said the North had had enough time for such a development. "It has been quite a while, enough time for them to have succeeded in miniaturization," he told a parliamentary defense committee. (Jack Kim, "N. Korea Can Likely Miniaturize Nuclear Device: Seoul," June 13, 2011)

6/15/11

The Republican-led House, hashing out appropriations for agriculture late Wednesday, approved by voice vote an amendment that would prohibit food assistance to North Korea through US government programs. The measure needs approval by the Senate, where President Barack Obama's Democratic Party holds a majority. Impoverished

North Korea has requested overseas food and last month invited a US envoy to assess its needs. Relief groups have said that North Korea faces imminent shortages, although many US lawmakers have been skeptical. Representative Ed Royce, a Republican from California who authored the amendment, said it would be wrong to send food to North Korea at a time that Kim Jong-Il's regime is pursuing nuclear weapons. "Let's be clear, the aid we provide would prop up Kim Jong-Il's regime, a brutal and dangerous dictatorship," Royce said in a statement. He quoted a North Korean defector, Kim Duk-Hong, as saying that food aid, "is the same as providing funding for North Korea's nuclear program because it allows Kim Jong-Il to divert resources." US-based relief groups have proposed sending 160,000 to 175,000 tons of food to North Korea -- about half of what the regime requested. The groups are non-governmental but in the past have relied heavily on US official support, meaning it would be difficult to send significant food aid if the restrictions took effect. A spokeswoman for one of the five groups, Portland, Oregon-based Mercy Corps, voiced concern about Royce's amendment. "I think it's a really bad precedent to deny humanitarian assistance to other countries out of principle," said Joy Portella, the spokeswoman. "It wasn't a case where we just dumped food there and hoped for the best, as some people might think." Another of the five relief groups, Christian-oriented Samaritan's Purse, earlier forecast that North Korea would be running out of food this month due to a poor harvest. (Sharon Tandon, "U.S. House votes to Bar N. Korea Food Aid," June 16, 2011)

6/16/11

Rep. Sohn Hak-kyu, the leader of the main opposition Democratic Party urged the administration to pursue an inter-Korean summit. "The North and the South should put minor challenges behind them and must work toward making peace," Sohn said at a Supreme Council meeting held at the Imjingak observatory in Paju, near the border. "If any immediate government-to-government negotiations are out of the question, talks on a private level should come first." Sohn urged North Korea to think of people's lives and realize that reform and openness was the only way to survive. "Threats of war and provocation will only aggravate the situation," he said. (Kim Se-jeong, "DP Leader Urges President to Pursue Inter-Korean Summit," *Korea Times*, June 16, 2011)

Trace amounts of [dioxin](#) have been found in water samples taken near an American [Army](#) base in [South Korea](#), according to a joint investigation into possible chemical dumping that analysts said could have repercussions for the alliance between South Korea and the United States. The discovery of dioxin, a toxic chemical linked to an array of maladies, near Camp Carroll, in southeastern South Korea, was part of an initial report on water and soil tests being conducted by both countries. The dioxin was found in three streams near Camp Carroll, investigators said Thursday, and all the samples were well within safe drinking standards set by the United States Environmental Protection Agency. Tests of three other streams and 10 wells were negative for dioxin. Dioxin, a component of the powerful defoliant [Agent Orange](#), has been linked to an array of maladies, including cancer, heart disease and birth defects. Agent Orange was widely used during the Vietnam War to expose the hiding places of enemy soldiers in jungles, swamps and forests. A Pentagon official played down the initial findings of the investigation. "The trace of dioxin was negligible and appears to pose no health risk," the official said, adding that no indications of Agent Orange were found. Military officials in Seoul said that Agent Orange also was sprayed along the

heavily fortified border between North and South Korea in 1968. The spraying lasted about two months, they said, until local supplies of the herbicide were exhausted. Political analysts said they had been encouraged by an unusually high level of cooperation between American and Korean military investigators, in part because the collaboration could defuse anger among those in South Korea who resent the American military presence here. About 28,500 American service members, primarily Army troops, are currently based in South Korea. "There has been no delay in conducting investigations of the allegations and in extending full cooperation to the Korean government," said [Evans Revere](#), the former No. 2 diplomat at the American Embassy. "Transparency is really important here," Revere said, "because of the need to deal with the inevitable conspiracy theories that will arise in the Korean media and among the political opposition." But Revere said the Agent Orange issue was a delicate one and had the "potential to have a significant impact on popular attitudes toward the U.S.-South Korea alliance." Three former American soldiers – Steven House, Richard Cramer and Robert Travis – recently said they had helped to bury about 250 drums of waste at Camp Carroll in 1978. Their allegations were [first broadcast by KPHO](#), a television station in Phoenix. The men said the disposal site was a deep trench near a helicopter pad at Camp Carroll. The ditch was about 100 yards long and wide enough to accommodate a dump truck, they said. Travis said the 55-gallon drums were olive-drab green, marked with a stripe and labeled "chemical type – Agent Orange." He said some of the barrels were "dated 1967 for the Republic of Vietnam." The U.S. Army has acknowledged that pesticides, herbicides and other toxic compounds were buried at Camp Carroll, but the chemicals and about 60 tons of contaminated soil were later dug up and removed. An American military spokesman in Seoul, Lt. Col. Jeffrey S. Buczkowski, said the Army was still searching its records to discover what became of the excavated chemicals and soil. Investigators said Thursday that they could not link the discovery of the dioxin to the chemicals buried in 1978. Meanwhile, the South Korean military is conducting environmental tests at 85 former American bases that have been returned to South Korean control. The commander of American forces in South Korea, Lt. Gen. John D. Johnson, held a meeting two weeks ago with South Korean residents who live or work near Camp Carroll. "I pledge that I will do everything necessary to determine the truth," General Johnson said at the meeting. "My focus is to ensure there is no risk to the health of the people on Camp Carroll or off Camp Carroll. And if there is, I'll fix it." Although the investigation looking into suspicions of chemical dumping is not yet complete, some analysts saw little chance that public anger here would reach the level that caused hundreds of thousands of Koreans to take to the streets in the summer of 2008 to protest – sometimes violently – the lifting of a ban on imports of American beef. The ban was first imposed in 2003 after a case of [mad cow disease](#) was detected in the United States. The 2008 demonstrations, while ignited by the beef controversy, were also deeply tied to widespread frustrations over the early policies of President Lee Myung-bak, who took office in February 2008. "The beef issue was more about Lee Myung-bak and his leadership style," Revere said, "and the beef scare provided a convenient pretext to bash him." The fact that Camp Carroll is well to the southeast of Seoul may also dampen any nationwide outrage, said Lim Seong-ho, a professor of political science at Kyung Hee University in Seoul. "The chemical danger is far away from most citizens," Lim said. "Certainly, some groups and people will try to reignite anti-

American sentiment. But the chemical dumping is restricted to a small part of a remote area and does not bring a terrible sense of danger to the mind of the Korean public." (Mark McDonald, "Dioxin Traces Found Near U.S. Base in South Korea," *New York Times*, June 17, 2011, p. A-10)

6/17/11

South Korea has deployed precision-guided land missiles capable of hitting Pyongyang, a military source said. The forward deployment of the surface-to-surface missiles, known as the Army Tactical Missile System (ATACMS), came as tensions rekindled after North Korea vowed retaliation against the South's military over its use of head-shot photos of Pyongyang's top leaders as targets for shooting practice. Several ATACMS missiles, which can be fired from multiple rocket launchers, have been positioned near the Demilitarized Zone, the source said. With an effective shooting range of 165 kilometers, the missiles are able to pinpoint targets with a global positioning system and inertial guidance technology. (*Korea Times*, "S. Korea Deploys Precision-Guided Missiles Targeting Pyongyang," June 17, 2011)

With the opening of the June session of the National Assembly, the formation of a bipartisan-government consultative body, agreed up by the ruling and opposition parties to discuss pressing public welfare issues, is facing a snag over North Korean human rights legislation. The ruling Grand National Party has claimed that the act must be passed during this session to promote human rights for North Koreans, while the main opposition Democratic Party is countering that it is "legislation to support groups distributing flyers to North Korea" and arguing that its own proposed North Korean public welfare and human rights legislation should be reviewed at the same time. The GNP and DP bills are as different as oil and water. The GNP attaches a number of conditions to humanitarian aid for North Koreans, including its transmission, distribution, and monitoring according to international standards and restrictions on use for other purposes, including military use. The bill codifies into legislation the rationales offered by the government to date in suspending rice aid to North Korea. In contrast, the DP legislation stipulates unconditional humanitarian aid. No separate demands are made for transparency in its distribution, and the bill includes specific duties related to humanitarian aid, including assistance with food, fertilizer, medicine, machinery, medical equipment, and education. The two parties also show diametrically opposed positions on the method of approaching North Korean human rights. The GNP presented legislation containing stipulations about the creation of a North Korean human rights foundation and support for private groups working for North Korean human rights, arguing that the government needs to take direct action to improve the North Korean human rights situation. The DP is countering that direct government intervention, far from leading to improvements in North Korean human rights, is more likely to be skewed for political purposes. "The Grand National Party itself has said that the North Korean human rights bill is intended to build North Korean human rights infrastructure in South Korea," senior DP deputy floor leader Noh Young-min said. "It is a bill that gives money to conservative groups and positions to conservative figures under the packaging of North Korean human rights." With no narrowing of differences between the parties, the GNP presented a new negotiation plan to the DP on Thursday asking for a change in the name of the bill. Senior GNP deputy floor leader Lee Myung-gyu said, "We have been told it is impossible in working-level to have a merged review

process if the bills have different names, so we asked the DP to put a new name on the bill, even if it leaves the same content in place." But an official with the National Assembly Secretariat's legislation division said, "There is absolutely no connection between different names on legislation and the merged review process." (Lee You Ju-hyun, "Bipartisan Body Clashes over N. Korean Human Rights," *Hankyore*, June 17, 2011)

United Nations Secretary-General Ban Ki-moon is almost certain to succeed in his pursuit of a second term after the Security Council unanimously adopted a resolution of support. If Ban, a South Korean national, is appointed by the U.N. General Assembly in a formal vote, expected Tuesday, he will continue to lead the 192-member organization through 2016. "The Security Council adopted by acclamation the following resolution: Security Council, having considered the question of the recommendation for the appointment of the secretary-general of the United Nations, recommends to the General Assembly that Mr. Ban Ki-moon be appointed secretary-general of the United Nations for a second term of office from Jan. 1, 2012 to Dec. 31, 2016," said Ambassador Nelson Messone of Gabon, which holds the panel's rotating presidency. (Yonhap, "Ban's Second-Term Bid Endorsed by Security Council," June 17, 2011)

South Korean Marine Corps troops fired at a commercial aircraft flying near the tense sea border with North Korea, misidentifying it as one of the communist North's jet fighters, but no damage occurred, military sources said. A Marine Corps spokesman said two soldiers guarding an island on the waters off the South's western city of Incheon, fired their K-2 rifles for about 10 minutes at around 4 a.m. A defense ministry source said the plane, an Asiana Airlines jet carrying 119 passengers and crew on a flight from China making its descent to Incheon International Airport, was undamaged as it was about 500 to 600 meters out of the range of the hand-held K-2 rifles. Yonhap and other local media said the soldiers believed the plane was flying north of the normal air corridor. Asiana Airlines officials told the news agency the plane never went off course. "We checked yesterday through the air force and the airport control center to make sure there were no abnormalities such as being off course," Yonhap quoted a company official as saying. (Reuters, "South Korea Shoots at Passenger Jet by Mistake," June 18, 2011)

6/19/11

Japan and the United States will probably agree to delay the relocation of an American air base on Okinawa, Japan's defense minister said, a decision that could encourage calls to rethink the stalled relocation plan. The inability to find a new home for the base, the United States Marine Corps Air Station Futenma, has been a longstanding irritant in the United States relationship with Japan, the most important American ally in Asia. The defense minister, Kitazawa Toshimi, said the two nations remained committed to the current plan, signed last year, to move the busy helicopter base to a less populated part of the island of Okinawa. However, he said that construction of a replacement would most likely be delayed beyond the target date of 2014 because of entrenched resistance to the plan on Okinawa. Kitazawa said the two nations would seek a "shared understanding" on the delay during his visit to Washington this week, when he will meet with Secretary of Defense Robert M. Gates. "The fact of the matter is

that it will be hard to resolve this by 2014," Kitazawa said in an interview with The New York Times before his arrival in the United States on Sunday. "There is no point in dragging out something that cannot be done just because we agreed to do it before. What we are saying is let's deal with this realistically." During the visit, Mr. Kitazawa said he would also express gratitude for the far-reaching American relief operation after Japan's devastating March 11 earthquake and tsunami, and subsequent nuclear accident. Analysts and politicians in Japan and the United States agree that Washington's rapid dispatch of 20,000 military personnel to Japan's ravaged northeastern coast deepened security ties between the two countries. However, strains remain. There has been frustration in Washington with Japan's longstanding political paralysis, and fears that the recent disaster could drive Japan to become even more inward-looking at a time when the United States is feeling pressed to respond to China's rapid military rise. For their part, many in Japan are quietly anxious that the United States' dominant position in the region may be slipping, even as the government of Prime Minister Kan has moved closer to the United States for fear of China's ambitions. At the same time, there are also many Japanese who question why American bases are still needed here. Kitazawa said that during his visit he would present himself as a communications channel between Tokyo and Washington, which has been flustered by Japan's frequent changes in prime ministers. While relatively unknown in the United States, Mr. Kitazawa is a long-serving minister on the cabinet, and respected in Japan for his command of security issues. Kitazawa said he felt confident that the United States would continue to defend Japan, and maintain its "nuclear umbrella" despite President Obama's pledge to eventually eliminate nuclear weapons. He also said the American military's relief operations in northern Japan, called Operation Tomodachi, or "friend," had been successful in creating good will among the Japanese public. "There are Japanese who, no matter what, will say they don't like the United States or its military," said Kitazawa, who has decorated his office in the Defense Ministry with a large banner celebrating Operation Tomodachi. "You don't hear those people's voices now at all. It was a wonderful joint operation." However, the operation has appeared less successful in placating anger on Okinawa, a southern island far from the tsunami area that feels it bears an unfair burden in hosting about half of the 50,000 United States military personnel stationed in Japan. Kitazawa said Japan still remains committed to the agreement to move the air base to Camp Schwab, on the island's northern side. However, the political difficulties will force the two sides to replace the current deadline of 2014 with vaguer language to complete the relocation "as soon as possible," Kitazawa said. He also rejected an alternative plan recently put forward by three United States senators to move the Marine helicopters to an existing Air Force base on Okinawa, instead of constructing a new airfield at Camp Schwab. "We shall go with the plan agreed upon between Japan and the United States," he said. However, there is an emerging consensus among analysts and many politicians that the current Futenma deal has become so disliked here that no Japanese leader has the political will or capacity to push it through. The previous prime minister, Yukio Hatoyama, was forced to resign shortly after reaffirming Tokyo's commitment to the existing relocation plan. The current prime minister, Mr. Kan, is a lame duck after declaring that he would soon resign over criticism of his response to the March 11 disaster. Amid such political turnover, the alternative plan offered by the three American senators – John McCain, Carl Levin and Jim Webb – has won wide

attention here as a signal that the two nations may need to consider other, perhaps less difficult options. "This is seen on the Japanese side as a first step toward possibly amending the Futenma deal," said Yoshimasa Hayashi, a lawmaker in the opposition Liberal Democrats. "First, we need to push back the time frame to allow a cooling-down period. Then, we need to put everything back on the table." (Martin Fackler, "Delay Is Likely for a New U.S. Air Base in Okinawa, Japanese Official Says," *New York Times*, June 20, 2011, p. A-8)

6/20/11

The U.S. has tentatively concluded that North Korea is not suffering from a food crisis though certain areas in the Stalinist country do have food shortages. This conclusion is based on the visit by a U.S. assessment team for food assistance to the North led by Robert King, U.S. special envoy on North Korean human rights, said a South Korea diplomatic source Sunday. "Though the U.S. has yet to release an official report on the visit, it made a preliminary judgment based on the results of the assessment team's trip that the North has no comprehensive food crisis," the source said. Based on the judgment, Washington is known to believe that food assistance is necessary for certain regions in the North where food is in short supply. In the visit, King is known to have talked to North Korean officials on how the U.S. will provide food aid if it decides to do so. The U.S. team, however, reportedly failed to agree with Pyongyang on a monitoring system aimed at securing the transparency of food distribution. A source in Seoul said, "Washington's stance is that negotiations with the North on the monitoring system need to be continued." Despite Washington's active move to provide food support to Pyongyang, time is needed before a final decision is made. The source in Seoul said, "The U.S. government is more active than the South Korean government in providing food assistance to North Korea, but the situation in the U.S. on the matter is quite complex, with the U.S. House of Representatives seeking a bill to ban food assistance to the North." "What's left is Washington persuading Congress after the announcement of the U.S. assessment team's visit to Pyongyang." (*Dong-A Ilbo*, "N. Korea Is Not Suffering from Food Crisis: U.S. Team," June 20, 2011)

6/21/11

Ban Ki-moon was elected to second term as U.N. Secretary-General. North Korea supported the former South Korean foreign minister when he sought a second term. Talking to Ban when exchanging greetings at the United Nations headquarters in early June, Sin Son-ho, North Korean ambassador to the United Nations, said his nation backed Ban over his second term. "We strongly support you seeking a second term although we won't give a statement of that support today," the North Korean envoy was quoted as saying. (Kang Hyun-kyung, "What Will Ban's Re-Election Mean?" *Korea Times*, June 22, 2011)

The United States and Japan said that they would stick to a plan to relocate a Marine Corps base on Okinawa but would delay the move because of financial and political hurdles. In a joint statement, officials described the new deadline as "the earliest possible date after 2014." "Opinions in Okinawa are very harsh," Defense Minister Kitazawa Toshimi said. The price tag is also daunting for Japan, which is trying to rebuild its economy after the devastating earthquake and tsunami in March. The cost for the relocation has soared since the original 2006 agreement to \$29.1 billion, from \$10.3 billion. Japan would be responsible for \$15.9 billion under the original terms,

and the United States for the balance. A group of U.S. senators has called for the United States to review the relocation plan in the face of political opposition and cost overruns. And last week, the Senate Armed Services Committee moved to bar funds for the relocation plans. The moves reflect "growing congressional impatience with the process," Gates said at the news conference. (William Wan, "Okinawa Base Move to Be Delayed," *Washington Post*, June 22, 2011, p. A-9)

6/23/11

Sigal: "If engagement with North Korea has been difficult over the past two decades, disengagement has been disastrous. In the absence of negotiations, Pyongyang has taken steps to improve its nuclear and missile capabilities - or worse.

The conventional wisdom in Washington is that Barack Obama held out his hand to Kim Jong-il only to have it slapped away. The reality is more complicated.

Instead of resuming talks with North Korea, the administration moved to improve ties with South Korea, where President Lee Myung-bak was determined to isolate and pressure Pyongyang in hopes of making it more pliable in negotiations, if not cause its collapse.

The U.S. embassy in Seoul warned Washington of Lee's "tougher approach" in a January 29, 2009 cable disclosed by WikiLeaks: "President Lee ... 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.*"

Lee had begun by backing away from a promising October 2007 summit agreement that committed the two Koreas to negotiate "a joint fishing area" in the contested waters of the West (Yellow) Sea and naval confidence-building measures "to avoid accidental clashes and turn it into a zone of peace."

Lee's renege triggered a war of words, then three deadly clashes. When a North Korean patrol boat crossed into the disputed waters on November 9, 2009, a South Korean naval vessel fired warning shots at it. The North returned fire and the South opened up, severely damaging the North's ship and causing an unknown number of casualties - just what the 2007 summit accord had sought to forestall. On November 17, according to North Korean accounts, Kim Jong-il ordered the training of a "do-or-die unit of sea heroes" to avenge the attack. That order was carried out on March 26, 2010 with the torpedoing of a South Korea corvette, the *Cheonan*, killing 46, an attack for which Pyongyang has denied responsibility. When Seoul reacted by conducting live-fire exercises in the West Sea, the North retaliated with a November 23 artillery barrage on Yeonpyeong Island that killed four South Koreans, two of them civilians.

Seoul also moved to impede nuclear negotiations by undoing an October 2007 six-party agreement under which Pyongyang had pledged to provide "a complete and correct declaration of all its nuclear programs" and to disable its plutonium facilities at Yongbyon, pending their permanent dismantlement. In return, it was promised energy aid, an end to U.S. sanctions under the Trading with the Enemy Act, and removal from the U.S. list of state sponsors of terrorism. The accord made no mention of verification, which was left to a later phase of negotiations.

Under pressure from Seoul, President Bush delayed the delisting and easing of sanctions until Pyongyang agreed to cooperate in verifying its nuclear declaration. Even after Pyongyang accepted arrangements which could have sufficed to ascertain

how much plutonium it had extracted in the past, Seoul suspended delivery of promised fuel oil and Bush backed it.

On entering the White House, the Obama administration sustained this course. Its posture of "strategic patience" left its North Korea policy hostage to Seoul, which was doing its utmost to impede negotiations.

Pyongyang decided to force the action. In late January 2009 it began assembling a rocket which it tested on April 5, which it tried to portray as a peaceful attempt to put a satellite into orbit. Spurning a Security Council president's statement that condemned the launch and imposed sanctions, Pyongyang immediately began preparations for its second nuclear test, which it conducted on May 25. That led to additional U.N. and U.S. sanctions.

North Korea's response was to reveal a new missile and a uranium enrichment facility at Yongbyon, underscoring the futility of sanctions in curbing its missile and nuclear activities. What it has yet to do is to enrich substantial quantities of uranium, to restart its Yongbyon reactor to generate more plutonium, or to conduct additional missile and nuclear tests it needs to develop its new deliverable warhead and more reliable missiles.

Inducing Pyongyang not to take these steps should begin promptly. That was the view of Secretary of Defense Robert Gates, who told reporters on a trip to Asia on January 11 that two things have changed the status quo in Korea: "The first is, with the North Koreans' continuing development of nuclear weapons, and their development of intercontinental ballistic missiles, North Korea is becoming a direct threat to the United States, and we have to take that into account. And the second is ... clearly if there is another provocation, there will be pressure on the South Korean government to react" - a diplomatic way of signaling U.S. military unhappiness with Seoul's aggressive stance. Gates showed strategic impatience: "*We think there is some urgency to proceeding down the track of negotiations and engagement ...*"

Pyongyang is ready to negotiate with Seoul to ship out the fuel rods needed to restart its nuclear reactor in return for energy aid. It seems willing to abide by a moratorium on missile tests, and possibly nuclear tests, once talks with Washington resume. And it has said it will negotiate on suspending its uranium enrichment.

Seoul wants Pyongyang to apologize for sinking the Cheonan and attacking Yeonpyeong Island before entering into nuclear talks, but an apology won't prevent more attacks. Negotiating a peace treaty might. What are Washington and Seoul waiting for - more trouble?" (Leon V. Sigal, "Preventing a Nuclear North Korea," *The National Interest*, June 23, 2011)

6/24/11

U.S. Secretary of State Hillary Clinton said a decision on food aid to North Korea is on hold due to concerns over transparency in distribution and outstanding issues from the suspension of Washington's previous food shipments. Speaking after talks with South Korean FoMin Kim Sung-hwan on the eve of the 61st anniversary of the start of the 1950-53 Korean War, she also emphasized that her government will engage Pyongyang only under the condition that the two Koreas move to resolve their own concerns and disputes. "We have made no decision about providing food aid to North Korea at this time," Clinton said at a joint press conference after a 30-minute meeting with Kim. "Any such decision must be based on legitimate humanitarian needs,

competing needs elsewhere around the world and our ability to ensure and monitor that whatever food aid is provided actually reaches the people who are in need," she added. "Therefore, North Korea must address our serious concerns about monitoring and outstanding issues related to North Korea's suspension of previous food aid programs before we can consider any decision." When asked about a protracted stalemate in nuclear talks with North Korea, she said that "we remain open to direct engagement with North Korea" but that improved relations between the two Koreas is a precondition. "We are pursuing a dual-track approach to North Korea that includes a willingness to engage but only under circumstance that properly acknowledge the role that North and South Korea have to play in resolving their own concerns and disputes between them," she said. "We remain firm in our resolve and our shared position that Pyongyang must improve its relations with the Republic of Korea." (Lee Chi-dong,, "Clinton Says No Hasty Decision on Food Aid for N. Korea," Yonhap, June 25, 2011)

CLINTON: "With respect to North Korea, I think as Minister Kim said, both the United States and the Republic of Korea are firmly committed to the peaceful denuclearization of the Korean Peninsula. We are pursuing a dual-track approach to North Korea that includes a willingness to engage but only under circumstances that properly acknowledge the role that both the North and the South have to play in resolving their own concerns and disputes between them; and of course, we remain committed to a sanctions regime to prevent the further development of a nuclear program by the North and the proliferation of nuclear materials. This certainly is a longstanding policy, and I think we have reiterated it again today. ... **Q:** (Via interpreter) First, I would like to ask Secretary Clinton; recently a team of U.S. officials and experts visited North Korea for the assessment of food situation in North Korea. It seems that the decision is being delayed somewhat. Is it because of the assessment that the situation in North Korea is not as dire, and when do you think a decision on food aid will be made?The next question is for Minister Kim. It seems that there is some ambiguity whether South Korea starts linking the *Cheonan* and Yeonpyeong Island incidents with the resumption of the Six-Party Talks. So what is the government's exact position? Would it be possible to resume the Six-Party Talks without North Korea's apology? **CLINTON:** With respect to your question about food aid, I want to begin by saying that of course, the United States is deeply concerned about the well-being of the North Korean people. But we have made no decision about providing food aid to North Korea at this time. Any such decision must be based on legitimate humanitarian needs, competing needs elsewhere around the world, and our ability to ensure and monitor that whatever food aid is provided actually reaches the people who are in need. And therefore, North Korea must address our serious concerns about monitoring and outstanding issues related to North Korea's suspension of previous food aid programs before we can consider any decision. It's also important that the United States' longstanding position through administrations of both Republican and Democratic presidents that we do provide humanitarian assistance be separated from political and security concerns. They are not considered in the same category at all. So what we are looking at is whether there's a real need, what the competing needs are, because we are living at a time of rising food insecurity in many places in the world, and whether we can put into place sufficient monitoring mechanisms so that the food that is delivered actually gets to the people who need it. **KIM:** (Via interpreter) Regarding the

apology about the *Cheonan* and Yeonpyeong Island incident, you are saying that the Korean Government position is somewhat ambiguous. **The *Cheonan* incident is a North-South Korean issue, and Six-Party Talks is a denuclearization issue. Under the situation, we believe that denuclearization is also involved with South Korea, so we cannot turn our eyes away from it.** So that is - that would be my answer to the question." (Secretary of State Hillary Rodham Clinton, Remarks with South Korean Foreign Minister Kim Sung-Hwan after Their Meeting, June 24, 2011) South Korea is willing to hold nuclear talks with North Korea without the Stalinist state's apology for its attacks last year in the West Sea. A government official gave the press briefing after foreign ministers of South Korea and the United States held talks last week in Washington. If the two sides make progress in the possible talks, direct contacts between North Korea and the United States will take place which will be followed by the resumption of the stalled six-party talks. (Kang Hyun-kyung, "Seoul Delinks Pyongyang's Apology from Nuclear Talks," *Korea Times*, June 27, 2011) Despite reaffirming that inter-Korean talks should precede the resumption of six-party talks on North Korea's denuclearization - a call directed at the North - the U.S. is exerting pressure on South Korea to do its part to improve inter-Korean relations, a diplomatic source in Washington told *JoongAng Ilbo* June 26. The reaffirmation of Seoul-Washington coordination came during a meeting in Washington between South Korea's foreign minister and high-ranking officials in the U.S. Department of State, including Secretary of State Hillary Clinton. The source, however, said the U.S. has used several meetings between officials of the two countries to urge the South to make active efforts to unravel tangled knots and quickly get down to the long-protracted North Korean nuclear issue. Wi Sung-lac, South Korea's top envoy on North Korean nuclear issues, accompanied Minister of Foreign Affairs and Trade Kim Sung-hwan and met Washington's special envoy on North Korea policy Stephen Bosworth; Kurt Campbell, U.S. assistant secretary of state for East Asian and Pacific affairs; and Clifford Hart, Washington's new six-party talks envoy. Earlier, Kim Tae-hyo, deputy national security adviser to President Lee Myung-bak, flew to Washington to meet Daniel Russel, director for Asian affairs at the National Security Council. Minister Kim also had a separate meeting with Thomas Donilon, the national security adviser to President Barack Obama. "On South Korea's part, there has been no attempt to involve North Korea for nearly three years," said the source. "The U.S. is agreeing with the principle of having South Korea talk first, but it is urging South Korea to step forward and actively involve itself with the North to switch over into a dialogue phase." (Kim Jung-wook and Moon Gwang-lip, "U.S. Says Seoul Should Try Harder for Talks," *JoongAng Ilbo*, June 27, 2011)

U.S. President Barack Obama has formally nominated Sung Kim, a career diplomat with expertise in Korean affairs, as his new ambassador to Seoul, the White House announced. If his nomination is confirmed by the Senate, Kim, 51, will replace Kathleen Stephens and become the first person of Korean origin to serve as U.S. ambassador to Seoul. Meanwhile, the U.S. plans to name Clifford Hart, foreign policy adviser to the chief of naval operations, as special envoy to the six-way talks, according to multiple sources. Hart, also a veteran diplomat, is known for his expertise on Chinese and Russian affairs. (Lee Chi-dong,, "Obama Names Sung Kim as Top Envoy to Korea," *Yonhap*, June 25, 2011) The finishing touches are also being placed on a

reorganization of the U.S.'s Korean Peninsula lineup with the nomination of Clifford Hart, foreign policy adviser to the Chief of Naval Operations, as Kim's replacement as special envoy to the six-party talks. Following National Security Council Senior Director for Asian Affairs Jeffrey Bader's departure to a position at the Brookings Institution in April after previously overseeing Korean Peninsula and Asia issues at the White House, his place was assumed by Daniel Russel, who previously served as the NSC's South Korea-Japan director. Sydney Seiler, who spent nearly three decades working in the area of North Korea intelligence, was tapped to take over Russel's position. Deputy Secretary of State James Steinberg is also stepping down after previously overseeing North Korea policy, and former North Korea policy coordinator Wendy Sherman, who spearheaded a policy of conciliation with North Korea under the Clinton administration, is being talked about as a potential pick for Undersecretary of State for Political Affairs. In the Defense Department, Wallace Gregson stepped down as assistant secretary of defense, Asian and Pacific security affairs, a position in which he oversaw Korean Peninsula policy. Despite the sweeping changes in the Korean Peninsula affairs lineup in the White House, State Department, and Defense Department, analysts predict no major changes in the immediate future for the Obama administration's Korean Peninsula policy. "The United States is a society that operates according to systems, not people," said a Washington source. "What will have an impact on the Obama administration's future North Korea policy is less individuals and more the political situation in the United States prior to the presidential election, the actions of North Korea, and the response from Seoul." (Kwon Tae-ho, "Obama Names Sung Kim Ambassador amid Diplomatic Reorganization," *Hankyore*, June 27, 2011)

6/26/11

John Kerry, chmn SFRC op-ed: "What are our options? Returning immediately to the six-party talks (which included North Korea, South Korea, the United States, Russia, China and Japan) is not viable. South Korea won't participate unless North Korea atones for its recent bad behavior. And the North, approaching a leadership succession in 2012, is disinclined to cooperate lest it look weak. Similarly, there are limits to the pressure that China is willing and able to apply. China exerts the most leverage as North Korea's ally and largest trading partner, but it's not willing to risk the country's collapse. Further, Pyongyang has a habit of stubbornly resisting good advice, even from its patrons in Beijing. **The best alternative is for the United States to engage North Korea directly.** We all have grown weary of North Korea's truculence – its habit of ratcheting up tensions, followed by calls to negotiate back from the brink, followed by concessions, and a repetition of the process. But while North Korea may be the 'land of lousy options,' as one expert calls it, **inaction only invites a dangerous situation to get worse.** That is why, always in close consultation with our South Korean allies, we should explore steps that can reduce the threat and return to the path toward a denuclearized peninsula. Achieving complete denuclearization will take time, but in the near term we should try to negotiate an end to the North's enrichment of uranium, a moratorium on nuclear weapons and missile testing, the removal of fresh fuel rods capable of producing fissile material and the final dismantlement of the Yongbyon nuclear reactor. These are worthy intermediate goals along the path toward complete and verifiable denuclearization. To be sure, it's unlikely that we can resume such sensitive talks immediately given the current state of relations. We need to start more slowly. A good place to begin would be to open talks with North Korea on resuming

recovery operations in North Korea for American servicemen still missing from the war – operations suspended in 2005 by Donald Rumsfeld. The North is willing to resume these efforts. This will open a direct channel of communication with the Korean People's Army, and will return U.S. soldiers to the battlegrounds of North Korea on a solemn mission to ensure that no American is left behind. We should also resume carefully monitored U.S. food assistance to hungry North Korean children and other vulnerable populations. North Korean human rights envoy Bob King's recent visit to Pyongyang reflects a long and wise American tradition of separating humanitarian concerns from politics. If the North allows strict monitoring, as it did when U.S. nongovernmental organizations delivered food aid in 2008, then the United States should demonstrate our compassion for the famished children of North Korea. After two years of near-silence, reestablishing contact would demonstrate that cooperation is possible, if only on humanitarian issues at first. Then we can move on to tougher issues, including dismantling North Korea's nuclear program. North Korea is changing, undergoing a leadership transition and increasing exposure to the outside world. If we give Pyongyang a stake in improving its behavior, we increase the odds that our nuclear engagement will be successful in the coming years. **Rebuilding a relationship is essential to unlocking the nuclear puzzle and forging a lasting peace.** Let's get on with it." (John Kerry, "U.S. and North Korea: The Land of Lousy Options," *Los Angeles Times*, June 26, 2011)

6/27/11

South Korea's Unification Ministry said it will send a delegation of government officials and private businesspeople to North Korea's Mount Kumgang on June 29 for discussions on the North's unilateral seizure of the South's assets at the scenic mountain resort. The decision came after Pyongyang asked South Korean companies on June 17 to visit Mount Kumgang by June 30 "to discuss the matter of disposing of the frozen and seized properties at Kumgang." The Unification Ministry said the delegation will consist of six government officials and six representatives from South Korean corporate investors in the Mount Kumgang complex, including Hyundai Asan. "The upcoming visit is aimed at ascertaining the North's positions related to the asset seizure and taking measures to protect our people's property rights," said a ministry official. (Yonhap, "Seoul to Send Gov't-Private Delegation to North's Mount Kumgang," June 27, 2011)

6/28/11

North Korea said it would reject a proposal by South Korea to hold bilateral nuclear talks, even though an apology for last year's attacks on the South is no longer a prerequisite for such talks to take place. Officials in Seoul said they could demand that Pyongyang apologize for the sinking of the Cheonan warship and the shelling of Yeonpyeong Island at another bilateral meeting with Pyongyang, such as inter-Korean military talks, or through other channels. In response, *Minju Joson*, the North's official newspaper, denounced the South's flexible approach as a "stupid trick to avoid criticism at home and abroad." (Yonhap, "Pyongyang Spurns Seoul's Efforts to Hold Bilateral Nuclear Talks," June 28, 2011)

An armored train believed to be carrying North Korean leader Kim Jong-il was spotted heading to the Russian border. Diplomatic sources in Seoul said U.S. and South Korean intelligence officials confirmed that the armored train left Pyongyang and headed

toward Hamgyong Province, and Kim was expected to meet Russian President Dmitry Medvedev in Vladivostok. But the train never crossed the border, according to a source. Kremlin spokeswoman Natalya Timakova on June 30 told reporters Medvedev would attend several events during his trip to Vladivostok but no summit was scheduled with Kim. "President Medvedev will preside over a meeting covering the preparations for the APEC Summit in 2012 and tour facilities and a bridge on Ruski Island [off Vladivostok] that are being built for the summit," Timakova said. Japan's NHK TV had quoted Russian officials as saying authorities in the Siberian port were preparing to welcome Kim and his entourage. South Korean government officials believed Kim is seeking to normalize ties with Russia amid frisson with China and icy relations with Seoul. When Russia denied a summit was scheduled, Japan's Kyodo news agency said Kim's ailing health caused the trip to be cancelled. But South Korean officials believe the reason was disagreements over the agenda. "If North Korea decided not to hold a summit, it must have been due to disagreements with Russia," said one South Korean official. "North Korea is seeking to gain concessions, but Russia may have demurred." South Korean and U.S. intelligence officials believe there is still a chance that Kim could visit Russia during Medvedev's trip to Vladivostok. "The Russian spokeswoman said no summit was scheduled, but she didn't say there would be no summit," said one. The last time Kim met a Russian leader was at a summit with then-president Vladimir Putin in August 2002. (*Chosun Ilbo*, "Kim Jong-il's Train Stops Short of Russian Border," June 30, 2011)

Speaking at a meeting with Japanese reporters in Tokyo, Sohn Hak-kyu, the leader of the main opposition Democratic Party, said, "North Korea is most dangerous when in its current state of isolation. Holding dialogue and boosting exchanges with North Korea should not be regarded simply as a means of strengthening the North Korean regime, but as a way of achieving the country's reform and openness." "For a peaceful solution to problems on the Korean Peninsula, (we should) patiently continue to persuade North Korea to reform and open up," he said. "Regarding North Korea's human rights situation, nuclear weapons and missiles development, (I will) maintain a firm stance together with the international community," he said. "However, the other side of reality is that we have to deal with North Korea." (Yonhap, "Opposition Leader Says N. Korea Must Be Pushed to Reform, Open up," June 28, 2011)

6/29/11

A North Korean committee handling South Korea policies tried to send a strongly-worded warning to President Lee Myung-bak through the South's Unification Ministry, but the ministry refused to accept it, a ministry spokesman said. It is the latest indication of deteriorating relations and rising tensions between the two Koreas. Seoul's refusal prompted Pyongyang to disclose the message through KCNA late yesterday. The message repeated Pyongyang's latest demand that Seoul apologize for its alleged provocations, remove all military slogans slandering the North's top leaders and punish those who are responsible. "The North's Committee for the Peaceful Reunification of Korea tried to deliver the message through an official at the truce village of Panmunjeom, but we rejected it," the spokesman said on condition of anonymity. "That's because it was not appropriate for the committee to send a message directly to Cheong Wa Dae. When we asked about what the message was about, the

committee didn't say." (Na Jeong-ju, "North Korea Tried to Send Warning to President Lee," *Korea Times*, June 30, 2011)

KPA Supreme Command spokesman's statement: "These days the Lee Myung Bak group's anti-DPRK confrontation racket is going beyond such danger line that it cannot be left to take its own course. Typical of this was that the Third Infantry Division of the puppet Fifth Army Corps in the central sector of the front and other units in the forefront areas again seriously hurt the dignity of the leadership of the DPRK and deliberately spoke ill of its system and army. They displayed slogans and placards at lots of barracks and posts of the puppet army, military facilities and guideboards and walls on nearby roads. This was hysteria which can be kicked off only by the group of traitors and a hideous provocation which can be perpetrated only by hooligans who go wild like "puppies knowing no fear of a tiger." The developments go to clearly prove that the bellicose and blatant challenges daring hurt the dignity of the leadership of the DPRK and slander its inviolable system are nothing new but have been perpetrated in a systematic and premeditated manner on the script of traitor Lee Myung-bak and the military hooligans since long ago. ...What merits a serious attention is that such ceaseless hideous provocations have not been committed by a few individual hooligans of the puppet military but perpetrated by the group as part of its "state policy" and pursuant to "the guidelines" of the group of puppet military warmongers for stoking bitterness towards the DPRK. This is clearly evidenced by the fact that a whole string of reckless remarks calling for confrontation with fellow countrymen were let loose by Lee Myung Bak at Chongwadae and high-ranking military officers including puppet Defense Minister Kim Kwan Jin were locked in confabs over the issue of hurting the dignity of the leadership of the DPRK in their office rooms. The army and people of the DPRK cannot but regard all these hideous crimes against the nation and the DPRK as the highest treason as they stunned the public at home and abroad and cannot but deal with this open military provocation as an urgent case. The Supreme Command of the KPA will regard the reckless behaviors of the group of traitors adding to its hideous crimes against the nation as a new declaration of war against the DPRK from now on and will take corresponding military retaliatory measures in reflection of the towering resentment of all servicepersons and people and their pledge to take revenge upon the enemy. The Lee group of traitors is the sworn enemy with whom the Koreans cannot live under the same sky and the bellicose forces of the puppet military are the group of traitors to be wiped out by force of arms. The army and people of the DPRK will take merciless military retaliatory measures with every means and method involved till the group puts an end to all acts of hurting the dignity of the leadership of the DPRK and defiling its system and army and makes an apology to the nation for them. All the compatriotic military steps so far taken by the army of the DPRK for the improvement of the inter-Korean relations would prove to be stringent sanctions of DPRK style against the puppet authorities and military warmongers. Now that the worst confrontation maniacs in the world dared to perpetrate such extreme provocation against the DPRK as not ruling out even a war against it, there will be only physical stand-off between the north and the south. They will come to clearly realize what **stern punishment by force of arms** will be meted out by the army and people of the DPRK. No force on earth can match the servicepersons and people of the DPRK, their hearts burning with the determination to take a

thousand-fold revenge upon the enemy. There is a limit to their patience. Only sledgehammer blows of the nation await those who direct accusing fingers at the sky, not content with denying the socialist system in the dignified DPRK. Its servicepersons and people will foil the reckless heinous provocations of the group with merciless retaliatory blows and certainly accomplish the historic cause of national reunification, the desire of all Koreans, at an early date." (KCNA, "Lee Myung-bak Group's Hideous Provocations to Be Shattered - KPA Supreme Command," June 29, 2011)

The Associated Press and the North Korean state news agency have signed a series of agreements, including one for the opening of a comprehensive AP news bureau in Pyongyang, the organizations announced. A memorandum of understanding agreed by the AP and KCNA would expand the AP's presence in North Korea to a level unmatched by any other Western news organization, according to AP report from New York. The U.S. news agency said it would build upon the AP's existing video news bureau, which opened in Pyongyang in 2006, by allowing AP text and photo journalists to work in North Korea as well. With the signing, the agencies agreed to begin work immediately on detailed planning needed to set up and operate the new bureau as quickly as possible. It would be the first permanent text and photo bureau operated by a Western news organization in the North Korean capital. (Yonhap, "AP, KCNA Agree to Open AP Bureau in Pyongyang," *North Korea Newsletter*, No. 164, June 30, 2011)

6/30/11

DPRK Guidance Bureau of Special Zone for International Tour of Mt. Kumgang spokesman on "negotiations for settling the readjustment of properties including real estate inside the special zone proved abortive due to the obstructive moves of the south Korean puppet authorities: Those concerned of the south side, as notified by the DPRK Guidance Bureau of Special Zone for International Tour of Mt. Kumgang, entered the Mt. Kumgang Resort on June 29 for the readjustment of properties including real estate inside the special zone. But those concerned of non-governmental enterprises which have their properties in the mountain resort were just four and other 30 odd medium and small enterprises were barred from coming there by the south Korean puppet Ministry of Unification. Moreover, several 'government' officials came to disturb the work with those concerned of enterprises. Entering the resort, a section chief of the ministry and other officials took those concerned of non-governmental enterprises to other room, not the venue of negotiations. They kept the DPRK side from meeting with those concerned of non-governmental enterprises, insisting on having negotiations between the authorities of both sides. They threatened to go back unless the DPRK side has negotiations with them. When the DPRK side stated it would clarify its stand in the presence of all those concerned of the south side, they categorically refused it. Finally, they hastily went back without notice, taking with them even those concerned of non-governmental enterprises on the instructions from Seoul. The south Korean businessmen lost an opportunity to meet with those concerned of the DPRK side in the resort and were compelled to go back to south Korea under the pressure of the ministry officials. It was brought to light that the ministry sent its officials to the resort along with some businessmen under the pressure of public opinion but the real purpose of their trip was not to 'protect the right to properties' of south Korean enterprises but to disturb the readjustment of real estate and scuttle the international tour of the DPRK side at any cost. Due to the rude

behavior of the ministry, the DPRK side had no alternative but to convey as a notice its proposal for readjustment of properties to those concerned of enterprises of the south side including Hyundai Asan who are staying in the mountain resort. In the notice the DPRK side said that all those who have properties in the resort are requested to come there by July 13 after studying the proposal and in case of those who fail to appear there by that time, the DPRK side will consider they quit their properties and take relevant legal steps. The negotiations failed to take place entirely due to the deliberate obstructions on the part of puppet Ministry of Unification bossed by Hyon In Thaek, die-hard confrontation maniac. Nevertheless, upon their return the ministry officials were so shameless as to spread misinformation. The DPRK has shown all sincerity for the fair handling of the properties of the south Korean businessmen. The south Korean authorities should stop at once the base moves to scuttle the international tour of Mt. Kumgang and allow enterprises of the south side to take active part in readjusting their properties in a reasonable way. Otherwise, the south Korean businesses will suffer losses and the south Korean authorities will be held wholly responsible for them." (KCNA, "S. Korean Ministry of Unification Accused of Failed Negotiations," June 30, 2011)

7/1/11

South Korea hinted it will not allow company officials to visit North Korea this month over their seized assets at a stalled joint tour site in the North. The move could set the stage for another dispute between the two countries amid lingering tensions over Pyongyang's two deadly attacks on the South last year. The two Koreas held a rare meeting at a scenic mountain resort in the North on June 29 to discuss how to handle the assets, though no substantial meeting took place due to procedural differences. The North has since issued an ultimatum that it will take unspecified legal steps to dispose of the assets at Mount Kumgang unless South Korean company officials visit the resort by July 13 with plans on how to handle their assets estimated to be about 300 billion won (US\$278 million). Seoul should allow its companies to "take active part in readjusting their properties in a reasonable way. Otherwise, the South Korean businesses will suffer losses," a North Korean bureau overseeing the resort said in a statement carried by KCNA yesterday. However, a South Korean official handling the issue questioned the idea of sending businessmen alone to the North. "The North's unilateral move would violate inter-Korean deals, international norms and could cause a boomerang effect for the North in its moves to attract investment," the official said. (Yonhap, "S. Korea Stands Firm against N. Korea's Threat over Troubled Tour Project," July 1, 2011)

The outgoing commander of the U.S. Forces Korea has said the North Korean Army is only good at managing operations involving small units of personnel and not much else, VOA reported. "But when you consider the size of their military and their location, they don't have to be that good," Gen. Walter Sharp added. "Their main goal is -- if they were to attack -- is just to attack south and kill as many [they] can." The North does pose a threat, "but if you look at it from the perspective of the alliance, I'm very confident if North Korea were to attack we would be able to -- as an alliance -- be able to stop them south of Seoul and then eventually be able to complete the destruction of the North Korean military." Sharp described the North's attacks on the Navy corvette Cheonan and Yeonpyeong Island last year as attempts to turn public opinion in the

South against the Lee Myung-bak administration's North Korea policy. **"I think what North Korean leader Kim Jong-il was hoping to do with those two attacks last year was force the South Korean people to say this is too dangerous, we need to change our strategy and just go back to giving things to North Korea,"** he said. He also pointed out that the North would rather spend "its limited money on military capabilities" than on its people's welfare, education and freedom. Spending is focused "specifically on special operations forces, developing nuclear weapons and developing ballistic missile capabilities," he added. (*Chosun Ilbo*, "USFK Chief Plays Down N. Korean Military Threat," July 4, 2011)

Wendy Sherman, a former senior U.S. official on North Korea, was nominated to a lofty State Department post despite political controversy over her earlier handling of North Korea affairs. The White House announced that President Barack Obama picked her to serve as under secretary for political affairs, the No. 3 post at the department. (Lee Chidong, "Sherman Tapped for Top State Department Post," *Yonhap*, July 2, 2011)

North Korea assumed the presidency of the Conference on Disarmament that started in Geneva on June 29. (*Chosun Ilbo*, "N. Korea Chairs UN Arms Control Conference," July 1, 2011)

7/4/11

Responding to the growing threat of a humanitarian crisis, the European Union will announce today the release of about \$14.5 million in emergency aid to feed as many as 650,000 North Koreans. The European Commission said that after its experts witnessed evidence of a developing crisis last month during a mission to North Korea, it negotiated an agreement with the North Koreans about how to monitor the delivery of assistance. "Increasingly desperate and extreme measures are being taken by the hard-hit North Koreans, including the widespread consumption of grass," the Commission said in a statement. The severity of the situation prompted a switch of tactics by the commission. In 2008, it stopped sending humanitarian aid to North Korea in favor of offering financing for longer-term development projects. "The purpose of this aid package is to save the lives of at least 650,000 people who could otherwise die from lack of food," Kristalina Georgieva, a European commissioner, said in the statement. "Our experts saw severely malnourished children in hospitals and nurseries where no treatment was available. North Korea's chronic nutrition problem is turning into an acute crisis in some parts of the country." (Stephen Castle, "North Korea Is Offered Aid to Ease Food Crisis," *New York Times*, July 4, 2011, p. A-8)

7/5/11

The Lee Myung-bak administration could ease its hard-line stance on North Korea amid persisting tensions, analysts said, but whether the newly-elected leadership of his Grand National Party (GNP) would spark that change remains up in the air. Among the leaders picked in yesterday's leadership contest Reps. Nam Kyung-pil and Won Heeryong, both named to the decision-making Supreme Council at the convention, have questioned the efficacy of Lee's policy, floating the idea of possible resumption of humanitarian aid. Won has even offered to become a special envoy to Pyongyang. Some said this indicated the ruling party will push for more engagement with Pyongyang with an eye towards presidential polls looming late next year. "A lack of progress on inter-Korean relations could deal them a blow in the elections," Yoo Ho-yeol, a professor at Korea University, said. "Among the requests the party may make to

the administration is altering its approach toward the North." A major point of contention has been the North's refusal to apologize for its two deadly provocations last year, which Seoul has held as a precondition for government-to-government talks. The tensions, though, stretch back to 2008, when Lee entered office and swiftly halted the engagement policy of previous administrations, attaching better ties to denuclearization steps. But Bong Young-shik, senior researcher with the Asan Institute for Policy Studies (AIPS), said issues related to North Korea have taken a backseat to job creation, the overall economy and social welfare in his election cycle, citing the findings of a recent survey. "Since the North Korea issue is not a priority among most constituents, the outcome of any 'successful' new policy would not create a sea of change in favor of the GNP," he said. "So the party will first want to build on its strength – its conservative base. Compromising the policy would be a dangerous strategy because it might alienate traditional supporters." He noted that Cheong Wa Dae already appears to be tweaking its stance toward some engagement, because Lee "may be interested in leaving the Blue House with a positive legacy with regard to the North." Recent comments by Lee and other officials suggest Seoul is backing away from the demand for an apology, heeding calls for a more flexible approach as regional players attempt to revive the moribund six-party denuclearization talks. "The slightly changed rhetoric of Cheong Wa Dae recently should be regarded as its own brainchild. The party doesn't have a direct bearing in this shift in favor of opening some kind of contact," he said. (Kim Young-jin, "GNP Hints at New Stance on Pyongyang," *Korea Times*, July 5, 2011)

7/6/11 North Korean exports to South Korea fell to one-fortieth their previous numbers in the wake of the government's "May 24 measures," while exports to China more than doubled over the same period, a Korea Development Institute analysis shows. The KDI announced that North Korean exports to South Korea, which averaged \$40 million per month over the period from January to May 2010 prior to the measures, fell sharply to \$1 million per month over the period from January to April 2011. Along with the drop in exports to the South, the same period saw a sharp rise in exports to China. Average monthly North Korean exports to China rose from \$50 million prior to the measures to \$130 million in recent months. North Korean overseas trade amounted to \$6.1 billion for 2010, a 19.5 percent increase from the year before, despite the May 24 measures and United Nations sanctions against the country. North Korea-China trade totaling \$3.5 billion boosted the number over the same period, representing a 29.3 percent increase. "The North Korean economy is fighting with exchange rates, resident livelihood worries such as rising food prices, and stagnation in the real economy as problem in the foreign affairs sector impact the domestic economy," said KDI. Rice prices have risen from previous levels of 500 to 600 won (\$0.47 to \$0.56) per kilogram to 2,000 to 2,200 won per kilogram since the second half of 2010. The exchange rate nearly tripled over the same period. (Ryu Yi-geun, "N. Korea Exports Plummet with S. Korea, Jump Twofold with China," *Hankyore*, July 7, 2011)

7/7/11 U.S. and South Korean military leaders this year developed broad new countermeasures and plans for dealing with North Korean attacks against the South amid pressure in Seoul to take a more aggressive stance toward its rival in the future, the commanding general of the combined forces said. U.S. Gen. Walter Sharp said in

an interview ahead of his retirement next week that the process emerged from routine high-level dialogues between the two allies that picked up pace and intensity after Pyongyang's attacks last year on a South Korean warship and an island near the maritime border—provocations that raised concerns in Washington about whether Seoul would launch a unilateral counterattack if the North were to strike again. "Because of the consultative process we have and how close our alliance is, if North Korea does do provocations again, the response will be quick and something that **both countries are comfortable with**," Gen. Sharp said. After the second attack, against the South Korean island of Yeonpyeong near a disputed maritime boundary in November, some nervousness arose in U.S. military and diplomatic circles that South Korean political and military leaders, under pressure from the South Korean public, are ready to lash out against the North. He said Pyongyang's "major purpose" of last year's attacks was to erode South Korean support for President Lee Myung-bak's policy of linking the South's economic aid to the North to steps taken by the North to end its pursuit of nuclear weapons. That policy cut off hundreds of millions of dollars in annual aid to the North. But opinion polls, South Korean media and rising military-enrollment rates indicate the North Korean attacks produced more hostility toward it in the South. "I think it backfired, quite honestly," Gen. Sharp said of the North's strategy. "One would hope that the reaction of the South Korean people has had a deterrent effect and changed some calculus in North Korea." (Evan Ramstad, "U.S., Seoul Secure Plans for Potential Counterattack," *Wall Street Journal*, July 7, 2011)

The founder of Pakistan's nuclear bomb program, Abdul Qadeer Khan, asserts that North Korea bribed top military officials in Islamabad to obtain access to sensitive nuclear technology in the late 1990s. Khan has made available documents that he says support his claim that he personally transferred more than \$3 million in payments by North Korea to senior officers in the Pakistani military, which he says subsequently approved his sharing of technical know-how and equipment with North Korean scientists. Khan also has released what he says is a copy of a North Korean official's 1998 letter to him, written in English, that spells out details of the clandestine deal. The letter Khan released, which U.S. officials said they had not seen previously, is **dated July 15, 1998**, and marked "Secret." "The 3 millions dollars have already been paid" to one Pakistani military official and "half a million dollars" and some jewelry had been given to a second official, says the letter, which carries the apparent signature of North Korean Workers' Party Secretary Jon Byong Ho. The text also says: "Please give the agreed documents, components, to ...[a North Korean embassy official in Pakistan] to be flown back when our plane returns after delivery of missile components." Khan, whom some in his country have hailed as a national hero, is at odds with many Pakistani officials, who have said he acted alone in selling nuclear secrets. If the letter is genuine, it would reveal a remarkable instance of corruption related to nuclear weapons. Because the transactions in this episode would be directly known only to the participants, the assertions by Khan and the details in the letter could not be independently verified by the Washington Post. A previously undisclosed U.S. investigation of the corruption at the heart of the allegations – conducted before the letter became available – ended inconclusively six years ago, in part because the Pakistani government has barred official Western contact with Khan, U.S. officials said. The North Korean government did not respond to requests for comment about the

letter. **Jehangir Karamat, a former Pakistani military chief** named as the recipient of the \$3 million payment, said the letter is untrue. In an e-mail from Lahore, Karamat said that Khan, as part of his defense against allegations of personal responsibility for illicit nuclear proliferation, had tried “to shift blame on others.” Karamat said the letter’s allegations were “malicious with no truth in them whatsoever.” The other official named in the letter, retired Lt. Gen. Zulfiqar Khan, called it “a fabrication.” The Pakistani Embassy in Washington declined to comment officially. But a senior Pakistani official, who spoke on the condition of anonymity “to avoid offending” Khan’s supporters, said the letter “is clearly a fabrication. It is not on any official letterhead and bears no seal ... The reference to alleged payment and gifts to senior Pakistani military officers is ludicrous.” There is, however, a Pakistani-Western divide on the letter, which was provided to The Post by former British journalist Simon Henderson, who The Post verified had obtained it from Khan. A U.S. intelligence official who tracks nuclear proliferation issues said it contains accurate details of sensitive matters known only to a handful of people in Pakistan, North Korea and the United States. A senior U.S. official said separately that government experts concluded after examining a copy of the letter that the signature appears authentic and that the substance is “consistent with our knowledge” now of the same events. Both officials spoke on the condition of anonymity because of the diplomatic sensitivity of the allegation. Olli Heinonen, a 27-year veteran of the International Atomic Energy Agency who led its investigation of Khan before moving to Harvard’s Kennedy School last year, said the letter is similar to other North Korean notes that he had seen or received. They typically lacked a letterhead, he said; moreover, he said he has previously heard similar accounts – originating from senior Pakistanis – of clandestine payments by North Korea to Pakistani military officials and government advisers. The substance of the letter, Heinonen said, “makes a lot of sense,” given what is now known about the North Korean program. Jon, now 84, the North Korean official whose signature appears on the letter, has long been a powerful member of North Korea’s national defense commission, in charge of military procurement. According to Khan, in the 1990s, Jon met then-Pakistani President Farooq Leghari, toured the country’s nuclear laboratory and arranged for dozens of North Korean technicians to work there. Khan detailed the payments Jon allegedly arranged in written statements that Henderson, a senior fellow at the Washington Institute for Near East Policy, shared with The Post. Henderson said he acquired the letter and the statements from Khan in the years after his 2004 arrest by Pakistani authorities. Henderson, who has written extensively about Khan, said he provided the letter to The Post because he lacked the resources to authenticate it himself. He said the letter and the statements constitute new evidence that Khan’s proliferation involved more-senior Pakistani officials than Khan himself. According to Khan’s written account, the swap of North Korean cash for sensitive Pakistani technology arose during a squabble in 1996 over delays in Pakistan’s payment to North Korea for some medium-range missiles. U.S. officials said they had heard of this dispute. **In the letter, Jon first thanks Khan for his assistance to North Korea’s then-representative to Islamabad, Gen. Kang Tae Yun, in the aftermath of a bizarre shooting incident in which an assailant supposedly gunning for Kang accidentally killed his wife. But the heart of the letter concerns two key transactions: the provision of a kickback to speed the overdue Pakistani missile-related payments and additional payments for the nuclear-related materials.**

Khan, in his written statements – including an 11-page narrative he prepared for Pakistani investigators while under house arrest in 2004 that was obtained by The Post – said the idea for the kickback came from a Pakistani military officer. Khan said Kang responded by delivering a half-million dollars in cash in a suitcase to a top Pakistani general, who declined it. Khan said Karamat, a more senior officer at the time, then said: “I should arrange with Gen. Kang to pay this money to him for some secret [Pakistani] army funds. He would then sanction the payment of their outstanding charges.” “I talked to Gen. Kang, and he gave me the \$0.5 million in cash, which I personally delivered” to Karamat, Khan wrote. He says this payment only whetted the army’s appetite, however: Karamat, who had just become chief of the army staff, “said to me that he needed more money for the same secret funds and that I should talk to Gen. Kang.” Kang then started bargaining, saying that his superiors “were willing to provide another \$2.5 million, provided we helped them with the enrichment technology,” Khan wrote. Once the details of that assistance were worked out, Khan wrote, “I personally gave the remaining \$2.5 million to Gen. Karamat in cash at the Army House to make up the whole amount.” Khan said he transferred all the funds on two occasions in a small canvas bag and three cartons, in one case at the chief of army staff’s official residence. On the top of one carton was some fruit, and below it was \$500,000 in cash, Khan wrote in a narrative for Henderson. Inside the bag was \$500,000, and each of the other two cartons held \$1 million, Khan wrote. If the account is correct, the ultimate destination of the funds in any event remains unclear. Karamat said that such a delivery would have been impossible and that he “was not in the loop to delay, withhold or sanction payments” to North Korea. He called the letter “quite mind-boggling.” The letter also states that Zulfiqar Khan, Karamat’s colleague, received “half a million dollars and 3 diamond and ruby sets” to pave the way for nuclear-weapons-related transfers. Zulfiqar Khan, who later became the head of Pakistan’s national water and power company, was among those who had witnessed the country’s nuclear weapons test six weeks before the letter was written. Asked to respond, he said in an e-mail that he considered the entire episode “a fabrication and figment of imagination,” and he noted that he had not been accused of “any sort of dishonesty or irregularity” during 37 years as a military officer. He denied having any connection to North Korean contracts. The senior Pakistani official said that Karamat and Zulfiqar Khan were “amongst the first to initiate accountability” for Abdul Qadeer Khan and his colleagues, and that implicating them in illegal proliferation “can only be deemed as the vengeful reaction of a discredited individual.” In the letter, Jon requests that “the agreed documents, components” be placed aboard a North Korean plane. He goes on to congratulate Khan on Pakistan’s successful nuclear test that year and wish him “good health, long life and success in your important work.” The Pakistani intelligence service interrogated Karamat in 2004 about Khan’s allegations, according to a Pakistani government official, but made no public statement about what it learned.

Musharraf, who oversaw that probe, appointed Karamat as ambassador to Washington 10 months later, prompting further scrutiny by the U.S. intelligence community of reports that Karamat had arranged the sale of nuclear gear for cash. Those inquiries, several U.S. officials said, ended inconclusively at the time because of Karamat’s denial and Washington’s inability to question Khan. (R. Jeffrey Smith, with Joby Warrick, “Pakistan’s Nuclear-Bomb Maker Says North Korea Paid Bribes for Know-How,” *Washington Post*, July 7, 2011, p. A-1) Another element of the

letter refers to the killing, just weeks before, of the wife of a North Korean general, Kang Tae Yun, who was based in Pyongyang. "I am certain that Gen. Kang was the target and I have no doubt that the C.I.A., South Korean intelligence agents and your ISI were involved," the letter states. It also reports that General Kang will be replaced by a "Mr. Yon," who had "served in Iran, Egypt, Syria and Libya and is very competent." With the exception of Egypt, all of those countries ultimately bought nuclear equipment and designs from North Korea. (David E. Sanger, "Pakistani Army Linked, in Letter, to Nuclear Sale," *New York Times*, July 8, 2011, p. A-11) "[I]n the case of North Korea, Khan may have been acting as part of state-to-state cooperation." (Mohamed El Baradei, *The Age of Deception: Nuclear Diplomacy in Treacherous Times* (New York: Henry Holt, 2011), p. 174)

DoS Daily Briefing: **Q:** (Laughter.) What is the U.S. strategy on North Korea? I mean, is it doing nothing waiting for North Korea to do something? Or are you just waiting for South Korea to improve relations with North Korea? I mean, we all know North Korea is bellicose, hard country, but some people say the U.S. should do more - I mean, be more proactive in trying to restart dialogue with Pyongyang. So what is your policy at the moment?**MS. NULAND:** The Secretary, I think, spoke to this very clearly barely a week ago, when Korean Foreign Minister Kim was here. We want to see North-South dialogue improved so that we can get back to the table on Six-Party Talks. Our diplomacy has been very active. We've just had consultations with China, we've had consultations with South Korea on these issues - they continue. We had a Japanese counterpart to Kurt Campbell here yesterday. They spent a lot of their time on North Korea. So we will continue these efforts, and we're obviously heading towards ASEAN meeting later this month where this will clearly be a subject of discussion in some of the smaller groups.**Q:** Just a follow-up on the kind of North-South. I mean, it's kind of been in this holding pattern for a while, and there's just been kind of an impression that you're getting a little impatient in terms of what it's going to take to get this North-South dialogue going. I mean, is the South kind of holding out unrealistic expectations of how warm and fuzzy this new relationship is going to be? I mean, are you pushing them to kind of, okay, now it's time to engage with the North so that we can move forward? **MS. NULAND:** Again, the Secretary spoke to this a week ago, and it was a subject of the discussion when Foreign Minister Kim was here. We think that both sides have some work to do, and we want to see that work done, and we want to move forward. **Q:** But I mean, are you leaving it up to the South to determine the criteria and pace and scope of this North-South dialogue? **MS. NULAND:** I'm not going to go further into the details of our diplomatic exchanges with (inaudible). **Q:** I'm just trying to get at the idea of are you leaving it up to this - like, you're holding out these - like you're saying you can't engage in Six-Party Talks until North-South dialogue. It's almost like the talks are being held hostage in a way for this North-South dialogue. So I'm just trying to get at does the South have the final say about what constitutes enough dialogue so that you can get back to the talks?**MS. NULAND:** No. I understand where you're going. I think the point here is that we are working on both tracks, and we're working with the appropriate parties on both tracks, and we're not interested in one side or the other holding this hostage; we're interested in making some progress. But it's hard diplomacy, as you know, which is why you see Kurt Campbell so active, the Secretary active, and we'll see how we go heading towards ASEAN. **Q:** Do you see any

progress on that North-South dialogue? **MS. NULAND:** Again, we need to keep pushing." (Victoria Nuland, State Department spokesman, DoS Daily Briefing, July 7, 2011)

- 7/9/11 U.N. Secretary-General Ban Ki-moon called for the South Korean government to take a "bolder approach" to North Korea in order to help ease cross-border tensions and move their relations forward. "I think it is desirable for South Korea to take a bolder and wide approach in its policy toward North Korea, given its political, diplomatic and national power," Ban said in an interview with Yonhap at an airport in Addis Ababa. Ban, the former South Korean foreign minister who was re-elected last month to a second term as leader of the U.N., assessed that "inter-Korean relations have been strained to the worst level." Despite the high tensions, the U.N. chief said humanitarian aid should be given to North Korea. "As for the issue of humanitarian aid, it is difficult to be resolved if it is closely linked with politics," Ban said. "Of course, I was also outraged by (North Korea's) unilateral provocations like the shelling of Yeonpyeong Island. But it needs to move forward by enduring the pain for the future of South and North Korea," Ban said. (Yonhap, "S. Korea Needs 'Bolder Approach' to N. Korea: U.N. Chief," *Hankyore*, July 11, 2011)
- 7/11/11 Kim Yong-hyun, secretary-general of the South's Red Cross, and Paek Yong-ho, vice chairman of the Central Committee of the Red Cross Society of North Korea, met during breaks at the East Asian regional Red Cross leadership meeting in Ordos City, located in China's Inner Mongolia, between July 12 and 14, a South Korean Red Cross official said. "Secretary-general Kim said there should be dialogue and exchanges between Red Cross officials of the two sides, despite the strain in inter-Korean relations," said the official, who also attended the conference. "To this, Vice Chairman Paek responded that he should not make such comments at an international conference, but rather deliver an official proposal." (Yonhap, "Red Cross Officials of Two Koreas Hold Informal Talks," July 11, 2011)
- 7/12/11 The chairman of the U.S. Joint Chiefs of Staff urged the Chinese leadership to rein in North Korea to prevent further unprovoked attacks on South Korea. U.S. Navy Adm. Michael Mullen, on the first visit of a chairman of the Joint Chiefs of Staff to China in four years, told journalists in Beijing that historically North Korea is likely to launch another attack against South Korea. But China could help stabilize the area by exerting its influence with Pyongyang and advising against such acts. "The provocations I think now are potentially more dangerous than they have been in the past," said Mullen at the start of a 4-day visit. "All of us are focused on a stable outcome here of what is increasingly a difficult challenge with respect to the leadership in North Korea and what it might do." (UPI, "Mullen Urges Beijing to Influence North Korea," July 12, 2011)
- 7/14/11 North Korea hinted it would accept more talks over the fate of a jointly-run Mount Kumgang resort in the North, a day after threatening to dispose of South Korean assets there. In reporting a rare meeting between the two sides yesterday, the North's state media said Seoul officials involved would "report to their superiors and then express their position through appropriate channels about subsequent meetings." But the KCNA report warned if South Korean companies do "not express their stance by the

end of July, then we will dispose of the South's properties through legal means." (Kim Young-jin, "North Korea Hints at More Talks on Mt. Kumgang," *Korea Times*, July 14, 2011)

U.S. Army Gen. James Thurman was inaugurated Thursday as the new USFK commander. He has served as commander of the U.S. Army Forces Command, and served in operations Desert Shield and Desert Storm during Gulf War from 1990 to 1991, and also has been a multinational division commander handling all coalition operations in Baghdad in 2006. (Yonhap, "New Commander for U.S. Forces in Korea Inaugurated," July 14, 2011)

FM Matsumoto Takeaki has instructed his ministry officials not to fly on Korean Air for one month from next Monday to protest a demonstration flight by the airline last month above disputed islets in the Sea of Japan, the Foreign Ministry said. State Foreign Secretary Takahashi Chiaki also told a press conference that the ministry will not invite Korean Air officials to events it will host or co-host. Matsumoto has aired concerns over the June 16 flight, describing the incident as "a violation of Japan's airspace." (Kyodo, "Minister Tells Diplomats Not to Fly Korean Air over Isles Row," July 14, 2011) Seoul protested Tokyo's directive to its diplomats to boycott Korean Air flights, after the airline tested its new Airbus A380 last month in a flight over Dokdo, with signs of reigniting the territorial dispute over Korea's easternmost islets. "The Japanese measure, regarded as a sort of sanction against a private company, can hardly be understood," Cho Byung-jae, spokesman of Korea's Ministry of Foreign Affairs and Trade, said at a media briefing. "In this context, we delivered our strong regret and disappointment and called for Japan to immediately withdraw the measure," he said. Earlier in the day, *Asahi Shimbun* reported that the Japanese foreign ministry delivered an e-mail to its officials requesting they refrain from using Korea's largest airline for one month beginning July 18. On June 17, Korean Air launched an Incheon-Tokyo route with the double-decker A380, the world's largest plane, and a day earlier conducted a two-hour test flight of the A380 carrying journalists and company officials from Incheon over Dokdo and back. "Dokdo is Korea's territory historically, geographically and according to international law, and there is no problem flying one of our nation's planes over our territory," said an official at the Korean Foreign Ministry. "But, we take it seriously because it is the first time Japan has taken such a measure against a private company [over the Dokdo issue]," the official said. (Moon Gwang-lip, "Seoul Protests Boycott of KAL by Japan Govt," *JoongAng Ilbo*, July 15, 2011)

North Korea has reportedly purged 30 officials who participated in inter-Korean talks or supervised bilateral dialogue via execution by firing squad or staged traffic accidents. A South Korean government source said, "Thirty people have been confirmed to have died or gone missing until recently. About 10 partners of inter-Korean talks with the South were executed by firing and about 20 others were said to have died in traffic accidents." "As of now, the North has no partners to talk with the South. There will likely be major change in inter-Korean relations." Seoul said all Pyongyang officials who attended secret inter-Korean contacts are being purged, which clearly demonstrates that the internal organization of the North's communist

regime is extremely unstable and fragile. [?] The power struggle in Pyongyang is intensifying in the course of the power succession of heir apparent Kim Jong Un, and hardliners are accordingly gaining ground while those in support of dialogue are losing ground, analysts say. [?] In recognition of the need for inter-Korean dialogue, South Korea is trying to bring the North to the dialogue table but faces a stumbling block due to internal instability in the Stalinist country. [?] Experts warn that Pyongyang could conduct larger-scale aggression in this year's second half, such as a third nuclear test or missile firing. Hong Joon-pyo, the chairman of the South's ruling Grand National Party, told a forum hosted by the Kwanhun Club, a gathering of veteran journalists, at the Korea Press Center in Seoul, "Pyeongchang County in Gangwon Province, the site of the 2018 Winter Olympics, is close to inter-Korean border. The South needs to make a drastic shift to resolve (stalled) inter-Korean relations." "Basically, the South should improve inter-Korean relations but the situation in the North seems complicated." (*Dong-A Ilbo*, "N. Korea Purges 30 Officials Involved in Inter-Korean Talks," July 15, 2011)

Crisis Group: "The heart of the issue is humanitarian: those who arrive in the South are often fleeing material deprivation and political persecution and under South Korean law must be accepted and helped. But as with all humanitarian issues, it is complicated by politics. Defectors have been used by both sides. The South once rewarded them with wealth and public regard but that changed when rapprochement with the North began in the late 1990s. Defectors became something of an embarrassment, and policies to help them did not keep up with the numbers and types of people arriving. As the difficulties of absorbing North Koreans become clear, the South is also wrestling with the possibility that it one day might have to handle a vast outflow of refugees from a collapsing North. The two sides of the Demilitarized Zone have diverged so much in economics, politics,

language and social organisation that the people are now strangers to each other. South Korean law and opinion from some quarters would likely demand a rapid unification, but economic and social realities suggest such a move could be catastrophic. **The difficulties of handling just over 20,000 refugees over a few decades should be a warning to those who wish to encourage the collapse of the North rather than a more gentle integration.** ... Prior to the last decade, very few North Koreans had defected to the South. There were only 86 defectors from 1990 to 1994, and the numbers remained under 100 each year until 1999. North Korea's deteriorating economy and a subsequent famine in the mid-1990s, along with an erosion of border controls that opened an escape route into China, began to push the numbers higher by 2000. In 2001, 583 North Koreans arrived in South Korea. The following year the figure nearly doubled to 1,138. By 2007, about 10,000 North Korean defectors had arrived in the South, and by December 2010, the number reached 20,360. ...In 1998, only 12 per cent of the 947 defectors in the South were female. But they surpassed males in 2002, and in 2010 they accounted for 76 per cent of the 2,376 defectors who arrived in the South. By January 2011, the cumulative total of defectors nineteen years of age and younger was 3,174 - 15.4 per cent of all defectors in the South. ...About 70 per cent of the defectors arriving recently have graduated from middle school or high school, about 9 per cent have graduated from junior colleges, and about 8 per cent are college graduates. About 50 per cent were un-

employed or dependents before they left the North, and about 39 per cent were workers. In April 2011, at least 65 per cent of them were living in the greater Seoul-Inch'ŏn metropolitan area. The unification ministry (MOU) estimates that 54 per cent are suffering from personal hardships and about 16 per cent are in the South with other family members. ...Since personal ties based on family links, alumni connections or regional hometown networks are critical for personal success and social mobility in South Korea, North Korean defectors face significant obstacles. ...According to the *1954 ROK Yearbook*, 82,959 South Koreans were kidnapped by the North during the war, and 10,271 defected. Between the signing of the Korean War Armistice in July 1953 and November 2010, North Korea abducted 3,824 South Koreans (3,721 fishermen) and returned 3,318. All but eight of those repatriated were detained for six to twelve months. About 506 abducted South Koreans are believed to still be in the North. ...North Korean defectors are sicker and poorer than their Southern brethren, with significantly worse histories of nutrition and medical care. They have distinctive accents, use different words and have little experience in the daily demands of life in a developed and open society. In the North, their education, employment, marriage, diet, and leisure were determined by the government, which assigned them to a class of people based on family history and political reliability. In the South, the array of choices presents them with endless difficult decisions that can be overwhelming. On top of these differences, many have faced arduous journeys through China or other third countries to get to the South. They often have suffered abuse, human trafficking, sexual assault, near-starvation and forced labor on their way. They all live with the possibility that not only will they never see their families again but that their relatives may have been punished, even executed, as a result of their defections. Nevertheless, most South Koreans seem ignorant of their plight. Since only about 20,000 North Korean defectors are in the South, the number is still too small to make a significant impact on society. Defectors often face serious mental health problems, which in turn make employment and integration that much more difficult. The extent of the problem is unclear, but a number of studies suggest high rates of post-traumatic stress disorder (PTSD) and depression. One study found that nearly 30 per cent of defectors have PTSD. ...These problems are exacerbated because many defectors do not know how to get treatment even when it is available, while many others are reluctant because they lack awareness or underestimate the seriousness of their conditions. Culturally, Koreans tend to suppress and tolerate mental health problems rather than get treatment, which has resulted in insufficient facilities and systems for identifying and treating disorders. ...In January 2011, only 50 per cent of defectors were employed (10,248 of 20,539), and most of these were in unskilled manual labour jobs (7,901, or 77 per cent of those employed). Only 439 defectors (4 per cent) were working in skilled jobs, and 381 were working in administrative positions. ...The number of school-age defectors is increasing. In 2005, 724 youths came to the South, and the number steadily has risen with 841 in 2006, 1,050 in 2007, 1,319 in 2008, 1,478 in 2009, and 1,711 in 2010, accounting for about 12 per cent of the total entrants. About 83 per cent enrol in regular schools, and about 9 per cent pursue their education at alternative schools."

(International Crisis Group, *Strangers at Home: North Koreans in the South*, July 14, 2011)

The nation's second-ranking military officer called for a broad reassessment of how to deter significant threats to the United States. A future national military strategy should strike a balance between fielding conventional weapons and nuclear arms, with the latter viewed as less usable against most threats, said Gen. James Cartwright, vice chairman of the Joint Chiefs of Staff. Fresh planning should also account for the emerging roles played by missile defenses and cyber capabilities, he said. Cartwright suggested, as well, that the future role of each leg of the nuclear triad -- bomber aircraft, ICBMs and submarine-launched missiles -- must be fundamentally re-examined so that desired capabilities and quantities are maintained, rather than determined by budget-cutting drills or political horse-trading. "I'm advocating a conscious decision on: What is deterrence? How does it work?" the Marine Corps general told reporters at a breakfast Q&A session. A 21st century approach should also account for the role of nonmilitary forms of power and persuasion, such as economic and diplomatic tools, he said. During the Cold War, the United States sought to balance its fielded atomic weapons against the Soviet arsenal in a standoff dubbed "mutual assured destruction," in which either side that initiated a nuclear war would risk a devastating response. With the growing possibility today that the first modern detonation of a nuclear weapon could be at the hands of a terrorist rather than a foreign government, the game has changed, said Cartwright, who is slated to retire early next month after a nearly 40-year military career. "Violent extremist organizations are very real" and have signaled interest in using weapons of mass destruction against the United States and its allies, he said. "It's not a nation-state you're dealing with [but] it's equally threatening. So we have to start to think about this a little more holistically." Washington in the future might attempt, for example, to head off threats from major nuclear powers in one way, while using a different strategy to deter any smaller nuclear-capable adversary, he said. "You may actually decide that you're going to stay [with] mutual assured destruction with one country, but the other one is not going to be that," Cartwright said at the event, sponsored by the Center for Media and Security. "You're going to have to have the capability ... to convince them that you are, in fact, capable" of hitting an adversary that contemplates using a nuclear weapon, and that such an adversary is "not going to win," he said. The general is a longtime advocate of developing conventional "prompt global strike" weapons that could give the United States a capacity to respond to surprise threats without using strategic-range nuclear arms. Missile defenses might someday become capable of intercepting an adversary's attacks for 24 or 48 hours, but that is still not long enough to deploy ground troops or even aircraft to many parts of the world, he noted. "What is it that you do, when you get the president up in the middle of the night and you say, 'So-and-so is attacking. The only thing I've got that can get there for the next 24 hours or 48 hours is a nuclear weapon'?" Cartwright said. "We have to find some way to get a range of action that allows us to be credible in those first few hours if we're not there" with military forces on the ground, and "allows us also to not have to start at the nuclear level," he said. The Air Force is developing Conventional Strike Missile technology, said to be ready for fielding in roughly 2020, that could hit targets at hypersonic speeds anywhere around the world with just 60 minutes' notice. Whether the Pentagon can await the Air

Force missile's long-promised debut before fielding some form of conventional prompt global strike capability "just depends on how the threat emerges," he said. "If you felt like it was necessary, you'd go sooner and then you could do it." (Elaine M. Grossman, "Top General: U.S. Needs Fresh Look at Deterrence, Nuclear Triad," *Global Security Network*, July 14, 2011)

7/15/11

Defense chiefs of South Korea and China agreed to establish an annual "strategic defense dialogue," paving the way for enhanced cooperation in tackling peninsular and regional security issues, officials said. During their talks in Beijing, Defense Minister Kim Kwan-jin and his Chinese counterpart Gen. Liang Guanglie also expressed their opposition to "any acts that undermine peace and stability" on the Korean Peninsula and in the region. Its first session will be held in Seoul for four days from July 27. The South Korean side will be headed by the vice defense minister while the Chinese side will be led by the vice chief of the General Staff of the Chinese People's Liberation Army. The two countries have not had high-level military dialogue since relations chilled last year when the South Korean and U.S. military staged large-scale military exercises involving a nuclear-powered aircraft carrier in a show of force against the North despite China's opposition. Meanwhile, remarks made by Gen. Chen Bingde before his talks with Kim prompted criticism here, with the Korean media calling them "diplomatic gaffes." For about 15 minutes before the bilateral talks began, Chen Bingde, whose status is equivalent to the chairman of the Joint Chiefs of Staff but lower than the defense minister, denounced the United States, one of the staunchest allies of South Korea. "I told (U.S. JCS chairman Adm. Mike Mullen during his recent visit to China) that it is improper for the U.S. to stage military exercises with those countries with which China has some conflicts," he reportedly said during the talks. "The U.S. tells other countries to do this and do that, as it is a super power. When other states tell the U.S. to do something, they turn a deaf ear to that ... The U.S. is a symbol of hegemonism." (Song Sang-ho, "South Korea, China Agree to Military Dialogue, Bolster Security Cooperation," *Korea Herald*, July 15, 2011)

South Korea and the United States wrapped up a two-day meeting on revising their treaty on nuclear use and agreed to keep working on narrowing their differences, a South Korean official said. Park Ro-byug, South Korea's envoy for the nuclear accord talks, and Robert Einhorn, the State Department's special adviser for nonproliferation and arms control, discussed how to revise the current treaty in a mutually beneficial direction, the official said. The existing treaty, signed in 1974, expires in March 2014. Seoul is seeking to revise it to meet its enhanced status as a nuclear energy developer. Under the existing pact, South Korea is prohibited from reprocessing its more than 10,000 tons of nuclear waste from some two dozen reactors. South Korea has proposed "pyroprocessing," a new technique not yet commercialized, to recycle spent fuel. After the March meeting, the two countries formed a committee for a joint study on pyroprocessing over the next 10 years. Sources said Park and Einhorn also talked about how to depict the handling of used nuclear fuel in the revised accord and how to include the result of their joint research in it. (Yonhap, "S. Korea, U.S. Agree on Further Talks on Renewing Nuclear Accord," July 16, 2011)

7/17/11

Inter-Korean relations are unlikely to remain perpetually tense, a high-level government official said, signaling that the government is willing to continue efforts to improve ties despite recent troubles caused by the North's disclosure of details of secret talks with the South. "The door to dialogue remains open," the official told reporters. "Inter-Korean relations are rather tense now but won't remain the same forever," the official said. "There were always ups and downs, both large and small, in cross-border relations in the past," he said. "We need to honestly grow even minor developments and it is important to make strides even if they are small at this moment," he said. The official, however, said there is no sign of change in the North's attitude toward the South. "The environment is not ripe for dialogue yet," he added. (Yonhap, "Strained Inter-Korean Ties Unlikely to Last," July 17, 2011)

7/21/11

ASD Campbell: "**Q:** North Korea seems reluctant to proceed in a dialogue with South Korea. Is there any possibility for the U.S. to start a dialogue with North Korea, if South Korea agrees to do so? **CAMPBELL:** No. Our position is clear - that we need to see **a sincere and effective effort** between the North and the South before there can be a fundamental improvement or dialogue between the United States and North Korea, and, obviously, before we can begin our process to get back on the Six Party Talks. We still believe that a central feature of improving the situation in Northeast Asia is **some effective form of North-South dialogue that meets the needs of Seoul.**" (Assistant Secretary of Defense Kurt Campbell, interview with Murayama Yusuke, Asahi Shimbun, Bali, July 21, 2011)

7/22/11

South and North Korea agreed to make joint efforts to resume the stalled six-party talks on ending the North's nuclear program "as soon as possible," Pyongyang's chief nuclear negotiator Ri Yong-ho, said after a rare, two-hour meeting between South Korean chief nuclear negotiator Wi Sung-lac and his North Korean counterpart on the sidelines of the ASEAN Regional Forum in Bali. "During the talks, we agreed to make joint efforts to reopen the six-party talks as soon as possible," Ri told reporters after the talks. The two sides also reaffirmed their "willingness to implement" the 2005 statement in which the North agreed to give up its nuclear program, Ri said. Ri said the talks were held in a "frank and serious" mood. Wi echoed Ri's view, saying "I had a very constructive and useful conversation with my counterpart." "We agreed to continue to make joint efforts in the process of negotiations for denuclearization," Wi told reporters. The meeting between Wi and Ri was partly aimed at paving the way for a higher-level meeting between South Korean Foreign Minister Kim Sung-hwan and his North Korean counterpart Pak Ui-chun in Bali, South Korean diplomats said. (Kim Deok-hyun, "Koreas Agree to Resume Six-Party Talks 'As soon As Possible,'" Yonhap, July 22, 2011) "There's no determination to rush into anything. When you're dealing with the North Koreans, understanding the importance of patience is clearly a virtue," said a senior State Department official with knowledge of the talks. "The fact that they met in a high-profile setting... as opposed to some secret setting probably has some significance." (William Wan and Chico Harlan, "Koreas Seek to Resume Talks," *Washington Post*, July 23, 2011, p. A-7) A diplomatic source said Rep. Charles Rangel (Democrat-New York) predicted significant progress in inter-Korean relations in Bali. "With the presidential election coming next year, Washington has no choice but to get actively involved (in the resolution of North Korea's nuclear program)," the source said.

"I understand that U.S. Secretary of State Hillary Clinton played a big role behind the scenes." South Korean officials remained cautious over the rumored summit, however. "It is premature to talk about an inter-Korean summit," a senior official said. "At this stage, careless pursuit of a summit could undermine the Lee Myung-bak administration's principles in North Korea policy." (*Dong-A Ilbo*, "Inter-Korean Talks in Bali Fuel Hopes of Thaw in Strained Ties," July 23, 2011)

7/23/11

South Korean Foreign Minister Kim Sung-hwan held an informal meeting here with his North Korean counterpart, Pak Ui-chun, an official said, in an apparent attempt to keep the fresh momentum of dialogue going. "Before entering a session of the ASEAN Regional Forum this morning, Minister Kim had a brief talk with Pak," the South Korean official said on the condition of anonymity. (Kim Deok-hyun, "Foreign Ministers of Two Koreas Meet at Key ASEAN Meeting," Yonhap, July 23, 2011)

7/24/11

KCNA: "Leader Kim Jong Il answered questions raised by Itar-Tass on July 24. The full text reads: I am grateful that Itar-Tass has asked for an interview with me. I would like to answer your questions. First, I would like to mention about the relationship between Korea and Russia and the prospect of its development. Korea and Russia are neighbours and they have maintained traditional friendly relations for a long time. The development of these relations fully accords with the interests of the peoples of the two countries and is of great significance in ensuring peace and security in Asia and the rest of the world. We set great store by friendship between Korea and Russia and pay deep attention to the development of the relations between the two countries. The Pyongyang summit of the leaders of the two countries held in July last year was a landmark event in developing the friendly relations between the two countries onto a new, higher stage. The visit to Pyongyang by President Vladimir Vladimirovich Putin, the first of its kind by the Russian head of state, proved a great contribution to the development of the relations between the two countries, and we highly appreciate it. Proceeding from our common will and stand with regard to the fresh development of our friendly and cooperative relations, President Putin and I had candid talks and deepened our mutual understanding and confidence. At the summit meeting and talks we had an open-hearted exchange of opinions concerning the bilateral relations and a series of international issues of mutual concern, and in accordance with the results of the talks signed the DPRK-Russia joint declaration in which we made public the common will and desire of the governments and peoples of our two countries to develop the bilateral friendly and cooperative relations onto a new, higher stage and clarified our unanimous view and stand with regard to important international issues. The joint declaration as well as the DPRK-Russia treaty of friendship, good-neighborliness and cooperation signed in February last year are historic documents that provide a guarantee for promoting the friendly relations between Korea and Russia. Clearly defining the principle and orientation of development of the friendly and cooperative relations between the two countries, the declaration and the treaty deal comprehensively with the political, foreign relations, national defense and security, mutual economic cooperation and trade issues and all other issues arising in developing the bilateral relations. The declaration and the treaty have opened a road for developing the friendly and cooperative relations between the two countries in all fields on the principle of complete equality, mutual benefit, mutual confidence and

non-interference in each other's affairs. The future of the friendly relations between Korea and Russia is very bright. After the Pyongyang summit wide sections of public circles and peoples of the two countries have displayed an unprecedented zeal for developing the friendly relations between the two countries. In accordance with the spirit of the declaration and the treaty, practical measures have been taken between the two countries concerning cooperation in the fields of the economy, military affairs, science, technology, education and culture. since the two countries' will to develop the relations of friendship and cooperation is unshakable, guaranteed by the declaration and the treaty, and they have decades-long tradition of close cooperation, they can develop their relations comprehensively if they take positive measures for action. We believe that the Korea-Russia relations of friendship and cooperation will be promoted remarkably in the new century, the 21st century, by the joint efforts of the governments and peoples of the two countries. Dialogue between the leaders of the states plays an important role in developing relations between countries. If the leaders maintain close relations with one another, their countries and peoples will inevitably establish friendly ties. I am going to visit Russia soon at the invitation of President Putin. I am pleased that I will be visiting Russia and meeting President Putin again in Moscow. Meeting the friendly people of Russia will give me a deep emotion. I am sure that the upcoming Moscow summit will be an important occasion for cementing the relations between the leaders of the two countries, which were established in Pyongyang last year, and for further promoting the Korea-Russia friendship. Next, as for the question of the United States' establishment of its missile defence system, I shall touch upon the question since the United States is provoking us in connection with the attempt. The United States is now coming out with the so-called missile threat from our country and some others in an attempt to set up the missile defence system. We are informed that for this purpose the United States is trying to abrogate the anti-ballistic missile treaty which was concluded with Russia. The United States' attempt to establish the missile defence system has now become the target of worldwide denunciation because it may renew the arms race. We support the Russian standpoint for maintaining strategic stability through the ABM treaty. The United States' clamour about the "missile threat" from our country is totally unfounded. it is nothing but a lie to hide its intention to dominate other countries. no matter how they fuss, saying, "North Korea is threatening the United States by means of missiles," and therefore "the united states is trembling with anxiety and fear," nobody will believe it. Worse still, the new U.S. administration is now talking about the "threat" of our conventional armed forces, not satisfied with the hullabaloo about "North Korea's missile threat." That is preposterous. That is another outrageous challenge to us. Our missile programme is of purely peaceful nature. It threatens nobody. Implementing the peaceful missile programme is an exercise of our legitimate sovereign right. The world knows that we are not threatening the United States, but that the United States is constantly threatening us by occupying a half of our country by force of arms. You have also asked about the prospect of normalizing relations between our country and the United States and Japan. That depends entirely on the standpoints and attitudes of the United States and Japan. The new U.S. administration has resumed the policy of isolating and stifling the DPRK in the new century, the policy that already went bankrupt in the 20th century, and is obstructing the improvement of DPRK-U.S. relations and aggravating the situation. The hard-line policy pursued by the United States to bring pressure to bear on us is a futile attempt

that failed yesterday and will fail today as well. **Our invariable standpoint is to approach good will with good will and respond to a hard line with a super hard line.** Our independent politics, our independent foreign policy is consistent and unshakable. No matter how the situation may change, and no matter what challenge we may encounter, we will keep the sovereignty and dignity of our country and confidently advance along the road we have chosen. We will develop good-neighborly, friendly relations with all countries on the basis of mutual respect for independence, and make efforts to improve relations with the countries which have been hostile towards us, if they respect our sovereignty and discard their hostile policy towards us. A prerequisite for improving our relations with Japan is that Japan should atone for the crimes it committed against our country and nation. To improve the relations ignoring its criminal past does not stand to reason. However, the present reactionary rulers of Japan are manoeuvring recklessly to beautify and justify their shameful past and bury it for ever. If Japan takes a sincere attitude towards the question of redressing its past considering the general trend of the world and gives up its policy and acts hostile to our country, the relationship between Korea and Japan can be improved. Last, you have asked me how I spend my leisure and what my hobbies are. Frankly speaking, I have a lot of work to do. Following the lifetime will of the great leader comrade Kim Il Sung, we must build a powerful socialist state on our land and achieve national reunification as soon as possible. Our reality does not allow me to waste time before having built a powerful state and achieved national reunification. As for my hobbies, I am fond of going among the people and soldiers and spending time among them. I find my life worth living and feel my best pleasure when I learn how they live and work and take care of them, talking with them and sharing their feelings. I also like reading and music. Reading and music are a part of my life and a pabulum of my work. I would like to take this opportunity to convey my friendly greetings to the Russian people and wish them a success in their struggle to build a powerful Russia and a better life." (KCNA, "Answers Given by Kim Jong-il to Questions Raised by Itar-Tass," July 27, 2011)

First Vice Foreign Minister Kim Kye-gwan is expected to visit New York around July 28 on a trip that includes a meeting with Stephen Bosworth, the top U.S. envoy on Korean Peninsula affairs, the source said "The South Korean and the U.S. government have had sufficient consultations on Vice Foreign Minister Kim's trip to New York," a source said. "The U.S. plans to make an announcement in the near future." Kim's trip to New York is expected to take the form of an invitation by private think tanks. The diplomat is not expected to visit Washington as the U.S. State Department is believed to be restricting his U.S. visit only to New York. (Yonhap, "Top N. Korean Diplomat to Visit New York for Talks with U.S. Officials: Sources," July 24, 2011) "The United States has invited North Korean Vice Foreign Minister Kim Kae-gwan to New York later this week," Clinton said in a statement. Kim will meet U.S. officials for discussions on the next steps necessary to restart denuclearization talks, she said. "[The New York meeting] will be an exploratory meeting to determine if North Korea is prepared to affirm its obligations under international and Six Party Talk commitments, as well as take concrete and irreversible steps toward denuclearization," America's chief diplomat Clinton said. (Shim Sung-won, "Senior N.Korean Diplomat Set to Visit U.S.: Clinton," Reuters, July 24, 2011) In recent weeks, though, U.S. officials have pushed for reengagement with North Korea, requesting that Seoul lead the way. Some officials

have also expressed concern about the consequences of failing to reengage. At a hearing July 21 for Sung Kim, a nominee to become the next U.S. ambassador to Seoul, Senate Foreign Relations Committee Chairman John F. Kerry (D-Mass.) said, "Make no mistake: Given North Korea's recent irresponsible conduct, staying in a diplomatic holding pattern invites a dangerous situation to get even worse." In recent weeks, "the U.S. has definitely put some pressure on the South Korean government about beginning talks with North Korea," said Hong Hyeon-ik, an analyst at Seoul's Sejong Institute who studies Pyongyang's nuclear program. (Chico Harlan, "U.S. Invites N. Korean Official to New York for Talks," *Washington Post*, July 25, 2011, p. A-12)

The United States will not support a resumption of six-party talks on North Korea's nuclear disarmament unless the North's leaders prove they are serious about the effort, Secretary of State Hillary Rodham Clinton said in a speech in Bali at ASEAN. "We urge North Korea to demonstrate a change in behavior," she said. (William Wan, "Clinton Issues Challenge on North Korea," *Washington Post*, July 24, 2011, p. A-11) "We are open to talks with North Korea, but we do not intend to reward the North just for returning to the table," Mrs. Clinton said. "We will not give them anything new for actions they have already agreed to take. And we have no appetite for pursuing protracted negotiations that will only lead us right back to where we have already been." (Choe Sang-hun, "North Korea to Discuss New Talks on Weapons," *New York Times*, July 25, 2011, p. A-4)

North Korea had tested the rocket engines for its intercontinental ballistics missile ahead of the deadly attack on Yeonpyeong Island in 2010, according to a high-ranking source. "In October of last year North Korea tested the rockets for its intercontinental ballistics missile at its Dongchang-ri base," said the high-ranking government official. "We believe they conducted the test as a direct show of force when the U.S. satellites could take aerial photos of the site." What the government suspected as long distance rocket engines were tested before at the Dongchang-ri base in Cheolsan, North Pyeongan Province, in May and June 2008. "They have been building the Dongchang-ri missile base since 2001, and although they have completed the launch pad, we believe they still have not finished construction on the entire base," said the official. "In order to speed up the construction process, they will need railroads that connect the base with outside facilities to transport components, said another military official. "We have seen activity that looks like the laying of railroad tracks between the Dongchang-ri base and a nearby station." He added, "We do not see any sign of activity that suggests they are trying to fire a missile at the moment." (Robert Lee, "North Korea Tested Missiles Engines Last October: Source," *Korea Herald*, July 24, 2011)

7/25/11

Assistant Secretary of State Kurt Campbell described the talks as "preliminary" and not necessarily a move toward restarting six-nation talks on the nuclear issue. "We are going to lay out very clearly our expectations for what will be necessary to resume not only six-party talks but direct engagement between the United States and North Korea," Campbell said in Hong Kong, where Clinton is winding up a world tour. "We have very clear pre-steps related to nuclear issues, related to proliferation concerns, that we will need to see clearly articulated by the North Koreans if we are to go

forward." A senior U.S. official said Kim's visit should not be interpreted as suggesting "that we are on the fast track to resumption of six party talks." "We need to see many more indications from the North Koreans before we approach that point," the official said. (Andrew Quinn, "U.S. Sees No 'Fast Track' for North Korea Nuclear Talks," Reuters, July 25, 2011) Victor Cha, a North Korea expert from Georgetown University in the United States, tracked 60 years of U.S.-North Korea dialogue, and found that when they were talking Pyongyang did not resort to acts of aggression, or so-called provocations. "This report has apparently resonated in the administration and animated the discussions about re-engaging the North," said Michael Green, a colleague at Georgetown. (Jeremy Laurence, "Analysis: U.S. and South Korea Stand Firm against Pyongyang," Reuters, July 25, 2011)

South Korea has approved shipments of flour to North Korea for the first time since a deadly artillery attack on a South Korean island last year, an official said. Seoul has provided small-scale humanitarian aid to North Korea despite the attack that killed four South Koreans last November. Flour, however, had been excluded over worries it could be used to feed the North's military. Unification Ministry spokesman Chun Hae-sung said in a briefing that his government will allow two South Korean relief groups to deliver 400 tons of flour to a nursery, a children's hospital and a kindergarten in the North starting tomorrow. Chun said South Korea isn't considering a resumption of government-sponsored food aid to the North. (Associated Press, "South Korea Approves Flour Aid to North Korea," July 25, 2011)

7/26/11

North Korea on effectively turned down Seoul's proposal to hold talks about resuming package tours to the Mt. Kumgang resort in the North. In a message to the Unification Ministry, Pyongyang said it would agree to inter-governmental working-level talks with South Korea "on condition that the South Korean delegation will bring private businesspeople to the talks." It added it does "not need" talks unless the South Koreans bring businesspeople to the talks or if South Korea "attempts to take advantage of the talks to stand in the way of the property cleanup negotiations." North Korea earlier seized South Korean properties at the resort and told businesses and the government to come and clear them out. "Although it used the expression 'agree to talks,' the North seems to be bent on dissolving the South Korean properties under its special tourist zone law, so we can't accept the counterproposal," a Unification Ministry official said. "There will be no talks at this time." In an interview with the state-run Korean Central News Agency, a spokesman for the North's bureau for the Mt. Kumgang zone claimed the tours were suspended as a result of a South Korean tourist "trespassing in a military-controlled area," for which the "South is responsible." The reference is to the fatal shooting of a South Korean tourist in the area by a North Korean soldier in 2008. (*Chosun Ilbo*, "N. Korea Refuses to Budge over Mt. Kumgang," July 27, 2011)

Guidance Bureau of the Special Zone for International Tour of Mt. Kumgang of the DPRK spokesman: "The DPRK recently took measures to let those concerned of the south side enter Mt. Kumgang resort to discuss the issue of adjusting real estates there and do business and property registration again and either take part in the international tour at their will or dispose of their properties by way of lease, transfer

and sale according to a decree of the Presidium of the Supreme People's Assembly of the DPRK on setting up the special zone for international tour of Mt. Kumgang and the DPRK law on special zone for international tour of Mt. Kumgang. This was prompted by the purport to resume the tour at an early date and show the nation's famous mountain to an increasing number of people at home and abroad and meet the interests of the south side's businesses under the situation where the suspension of the tour drags on due to the unjust behavior of the south Korean authorities. The south authorities, however, approached the measures taken by the DPRK with insincerity. They deliberately blocked the south side's businessmen from entering Mt. Kumgang resort for the adjustment of their properties. In face of the DPRK's criticism and protest by businesses, the authorities brought with them only a few businesses out of more than 30 businesses holding real estate in Mt. Kumgang resort. And they, insisting on authorities' negotiations only, prevented the businesses from meeting those from the north side and did not allow them to speak out at the negotiating table. There were two attempted negotiations for the adjustment of the properties in Mt. Kumgang resort but the north side could not have an opportunity to properly talk to NGO businessmen of south side. Taking into consideration the embarrassing position of the south side's businesses suffering undeserved damage due to the authorities' arbitrary practices, the north side decided to finally clinch the above-said issue by giving them more time till July 29. The south Korean authorities, far from feeling responsibility for it, stuck to their unreasonable stand, talking about 'retract of the law on special zone,' 'breach of south-north agreement' and 'infringement upon property right.' They even proposed authorities' working talks, revealing their attempt to elbow out NGO businesses and have the negotiations for the adjustment of properties and those for the tour to themselves. Meanwhile, they talked about 'sticking to the existing stand' on the issue of resuming the south Koreans' tour, an issue drawing attention of domestic and foreign public, thereby betraying their ulterior design to build a higher barrier. The DPRK declared the area for tour of Mt. Kumgang as a special zone for international tour and enacted a special law according to it. This was a legitimate measure taken to cope with the south Korean authorities' unilateral suspension of the tour for three years under an absurd pretext. As for 'breach of agreement' and 'infringement upon the right to properties,' it was none other than the south side which breached and scrapped the agreement reached between Hyundai and the DPRK and it was again the south Korean authorities who caused the DPRK and the south side's businesses such big losses. The DPRK and Hyundai made the tour of Mt. Kumgang successful, by cooperating with each other. But the south Korean authorities unilaterally suspended it without any consultation with the parties concerned and have so far stood in the way of resuming it. As far as the case of a tourist which the south Korean authorities put up as a pretext for suspending the tour is concerned, the south side was entirely to blame for the case as it was an incident that took place because the south side failed to put its personnel under proper control and thus the tourist illegally trespassed on the area under the military control of the north side. The south side also failed to pay a large portion of money it owed to the north side for the tour of Mt. Kumgang. There is no room to talk about the north-south agreement at present and it has already become a dead paper. Under this situation the DPRK invested the Hyundai with the right to do south Koreans' tour under the new law on the special zone and offered the south side's businesses the opportunity to hold negotiations for the protection of their properties. This was the

biggest favor shown by the DPRK. In fact, the DPRK's sovereignty is exercised over the special zone for international tour of Mt. Kumgang. So, the adjustment of properties in this area can be done under the DPRK's law and it does not require any discussion with the south side. The south Korean authorities, however, behaved arrogantly and disturbed the work to adjust the properties, reminding one of a thief crying 'Stop the thief!' An aim sought by them is to torpedo the international tour and block the resumption of the south Koreans' tour of Mt. Kumgang. This petty trick will no longer work on anyone. **The south Korean authorities should allow the entry of the south side's businesses holding their properties in Mt. Kumgang resort by July 29 so that they may do business and property registration and decide to take part in the international tour or lease, transfer or sell their properties. On this premise, the DPRK will consider authorities' working talks proposed by the south side authorities.** The DPRK is ready for both international tour and resumption of the south Koreans' tour. If the south Korean authorities try to use the working talks between authorities, defying the just demand of the DPRK and elbowing out NGO businessmen, as a lever for disturbing the implementation of the above-said law and the adjustment of the properties of the south side's businesses, the DPRK will not accept the authorities' working talks but take strong legal measures to dispose of the south side's properties as it had already declared." (KCNA, "S. Korean Authorities Accused of Disturbing Businessmen' Work to Adjust Properties," July 26, 2011)

7/27/11

A South Korean pastor, a U.S. resident who was identified only by his surname Hong, was indicted on charges of secretly entering North Korea in April to celebrate the birthday of the late North Korean founder Kim Il-sung on April 15, prosecutors said. He is also charged with praising the North Korean regime and meeting government officials during his stay there. South Korea's National Security Law prohibits any activity that is sympathetic to the Pyongyang regime, including the formation of pro-North Korea groups, contacting North Koreans without government permission and distributing publications praising the North. Hong traveled with a group of up to six other North Korea sympathizers, but the others returned directly to the U.S., while the pastor stopped in South Korea on his way back, prompting prosecutors to ban his departure, the Seoul Central District Prosecutors' Office said. (Yonhap, "S. Korean Pastor Indicted over Celebrating N.K. Founder's Birthday," *Korea Herald*, July 27, 2011)

7/28/11

Jeffrey Lewis and Peter Hayes: "The United States first issued a so-called 'negative security assurance' in 1978—negative in the sense that it explains when Washington would not use nuclear weapons against states party to the NPT. The occasion was the 10th anniversary of UN Security Council Resolution 255, which linked nonproliferation to security assurances by the nuclear weapons states. The most striking feature of the assurance was a loophole big enough to drive the Red Army through—an exception for non-nuclear weapon states 'allied ... or associated' with a nuclear weapon state, like the Soviet Union. This was widely referred to as the 'Warsaw Pact exclusion,' although it held at risk all of Moscow's allies, from East Germany to the DPRK. The clause actually survived the demise of the Warsaw Pact. In 1995, the Clinton Administration reaffirmed it while tightening it ever so slightly: now, a non-nuclear weapon state could only be subject to nuclear use if it participated in the attack.

At the same time, the Clinton Administration arguably broadened the scenarios under which it might use nuclear weapons, stating that whatever other assurances had been offered, on the subject of attacks against it or its allies with chemical or biological weapons, all options remained on the table. The two statements -- that the United States would not use nuclear weapons against non-nuclear weapons states and the refusal to rule out any option in response to a chemical or biological attack-- became known as the policy of 'calculated ambiguity.' This is despite the obvious fact that uttering two inconsistent statements at the same time does not, strictly speaking, constitute an instance of ambiguity but is actually an instance of speaking out of both sides of one's mouth at the same time. In practice, "calculated ambiguity" turned out to be difficult to maintain, putting senior Clinton and Bush Administration officials in the position of appearing to make clumsy nuclear threats. The Obama Administration entered office committed to reducing the role of nuclear weapons and putting "an end to Cold War thinking" about them. Declaratory policy, with the archaic Warsaw Pact clause and clumsy efforts at calculated ambiguity, was an obvious candidate. Moreover, the Obama team recognized the "happy accident" that those states accused by the State Department of having illicit chemical or biological weapons programs either had nuclear weapons or compliance problems with the NPT. As a result, the Obama Administration decided to issue a 'clean' negative security assurance in its Nuclear Posture Review (NPR) released publicly on April 2, 2010. Although much of the internal debate on the NPR centered on the condition that a state must be "in compliance" with its nuclear nonproliferation obligations to receive the benefit of the pledge, negative security assurances are, in fact, a long-standing US position that dates to the Clinton Administration. [1] By making this change unilaterally and without fanfare, the Obama Administration clearly intended to strengthen the incentive for North Korea and Iran to come into compliance with their nonproliferation obligations, without appearing to make "promises" to either state with nothing in return. The new 'clean' Negative Security Assurance is global in scope and criteria-based. It declares: **'[T]he United States will not use or threaten to use nuclear weapons against non-nuclear weapons states that are a party to the 1968 Non-proliferation Treaty and in compliance with their nuclear non-proliferation obligations.'** This assurance would unambiguously apply to the DPRK in the event that it returned to the NPT as a non-nuclear weapon state. Given these factors, the United States would not easily be able to undermine such an assurance to the DPRK without undermining its wider nonproliferation efforts. The clean negative security assurances structures incentives for both Washington and Pyongyang to work toward a nuclear-weapon free Korean peninsula. Of course, the DPRK might use chemical or biological weapons in an attack against the United States or its allies. Instead of a nuclear response, however, the new policy declares that they would face a "devastating conventional military response," including "holding accountable" their leaders and national military commanders including one assumes, war crimes trial. (There is one caveat in place, which is that if bio-weapons develop into new forms of mass destruction, the United States reserves the right to update the negative security assurance to reintroduce a nuclear response to such a threat--but that does not change the significance of the revisions for the DPRK). In short, the Obama Administration has created path for the DPRK to denuclearize in exchange for legally-binding

commitments from the United States, irrespective of the DPRK's putative alliance with China. That is, the NPR offers the DPRK safe harbor in the event that Pyongyang's leaders denuclearize—something that was not possible in previous negotiations...” (Jeffrey Lewis and Peter Hayes, “The DPRK and the Warsaw Clause: An Unnoticed Change in US Nuclear Policy,” NAPSnet, July 28, 2011)

7/28-29/11

U.S. and North Korean diplomats met for several hours in New York on July 28 for talks that American officials described as an effort to gauge whether North Korea is willing to talk seriously about abandoning its nuclear program. Neither side divulged much about what was said. North Korean first vice foreign minister Kim Kye-Gwan called the atmosphere “good,” and, in an equally terse written statement, U.S. officials said the meeting was “serious and business-like.” “This is a chance for us to sound out the North Koreans,” said State Department spokesman Mark Toner. One reason both sides seem more willing to talk now is heavy pressure from the United States and China, said Kim Keun-sik, a political science professor at Kyungnam University in Seoul. “The biggest change is the U.S. and China. After the Yeonpyeong shelling, they both feared a higher possibility of war,” he said. “So it’s not like North Korea and South Korea want to talk. That hasn’t changed. But they’re being pushed together on the table by China and the U.S.” (William Wan with Chico Harlan, “U.S. N. Korean Diplomats Meet in New York,” *Washington Post*, July 30, 2011) In announcing what she says will be an “exploratory meeting,” Secretary of State Hillary Rodham Clinton left unmentioned what may be the US’s primary motivation: a desire to head off any new military provocations by a regime that tends to lash out when it is feeling ignored. US officials have been publicly and privately expressing their mounting concerns that the North may be contemplating more provocative acts to get back on the global agenda - and perhaps to extract some economic favors. Secretary Clinton, who was traveling in Asia earlier this week, met for four hours Tuesday with Chinese State Councilor Dai Bingguo, and afterward State Department officials said Clinton had stressed with Mr. Dai US concerns about further destabilizing acts by North Korea. Clinton “underscored very clearly the risks that North Korea might be contemplating further provocations and the absolute need for China to weigh in strongly on Pyongyang to discourage such actions,” a senior State department official told reporters traveling with Clinton. The urgency of some manner of preventive diplomacy has also surfaced in Congress. At a confirmation hearing last week for Sung Kim, President Obama’s nominee as ambassador to South Korea, Senate Foreign Relations Chairman John Kerry (D) of Massachusetts warned that, “Given North Korea’s recent irresponsible conduct, staying in a diplomatic holding pattern invites a dangerous situation to get even worse.” The push for renewed talks comes amid some evidence that Pyongyang does not engage in hostilities when it is talking with the US. A study by the Center for Strategic and International Studies in Washington found that, with one exception, the North Koreans have not fired missiles or acted otherwise provocatively while they were at the negotiating table with the US. But not everyone agrees with that finding. If the Obama administration's "strategy is based on the idea that dialogue will trick the North Koreans into not proceeding with some provocation, it's a naive and false assumption," says Bruce Klingner, a North Asia expert at the Heritage Foundation in Washington. Not only has the North conducted provocative acts either during or in the immediate aftermath of talks with the US, Mr. Klingner says, but it has also established a pattern of

using its willingness to talk and eventually behave to extract economic concessions from the US and its allies. No doubt cognizant of this pattern, Clinton said in her statement that the North should not expect any favors just for showing up. "We are open to talks with North Korea, but we do not intend to reward the North just for returning to the table," she said. "We will not give them anything new for actions they have already agreed to take. And we have no appetite for pursuing protracted negotiations that will only lead us right back to where we have already been." Klingner says the US has to go further and demand "tangible progress" from the North on defusing the nuclear standoff before there is any return to the six-party talks, which in addition to the North and the US include South Korea, China, Russia, and Japan. Such demands might take the North by surprise, Klingner says, since the North Koreans "may very well feel they are coming back in a stronger position" after what he describes as a "weak" response to the North's bad behavior of the past year. (Howard LaFranchi, "U.S.-North Korea Nuclear Talks: Why Return to the Table Now?" *Christian Science Monitor*, July 28, 2011) South Korea's nuclear envoy said on July 29 it would be very difficult to persuade North Korea to give up its atomic program, and that a flurry of diplomacy aimed at restarting nuclear talks was unlikely to produce major breakthroughs. "We are not optimistic for six-party talks as it was, and as it is," the South's envoy Wi Sung-lac told a small group of foreign correspondents in Seoul. "I don't believe North Korea will easily give up nuclear weapons ... but I don't give up hope. We will make them give up (nuclear weapons)," he said. "It may be a long and winding road." Seoul and Washington insist on productive bilateral talks with the North first, and say that Pyongyang must take concrete action to show it is sincere about denuclearizing. **"We won't go to six-party talks until we see a suspension of the Yongbyon (nuclear) program," he said of the North's main nuclear complex, where there are both uranium and plutonium facilities.** "I don't expect anything surprising coming from the New York. It's just the beginning," said Wi. (Jeremy Laurence, "South Korean Envoy Downbeat on Nuclear Talks," Reuters, July 29, 2011) North Korea and the United States have completed this week's talks in New York, which both sides called "constructive." Speaking to reporters separately, North Korean Vice Foreign Minister Kim Kye-gwan and Stephen Bosworth, the U.S. special representative for North Korea policy, gave no details on whether substantial progress was made in their two-day discussions. "Talks were very constructive and business-like," Kim said, leaving the U.S. Mission to the United Nations in the afternoon. "(I) will try to continue momentum down the road." In a brief statement, Bosworth stressed that Washington is open for dialogue with Pyongyang as long as it is serious about denuclearization. "We reiterated that the path is open to North Korea towards the resumption of talks on improved relations with the United States and greater regional stability if North Korea demonstrates through its actions that it supports the resumption of the six-party process as a committed and constructive partner," he said. The U.S. has tried to limit media expectations, characterizing the meetings as "exploratory and preliminary" to see if the unpredictable communist nation is ready for full-scale dialogue on bilateral ties and the long-troubled denuclearization work. In Washington, the State Department announced that Robert King, special envoy for the improvement of North Korea human rights, joined the second-day session. King traveled to Pyongyang in late May to determine if it needs imminent food aid. "I can't preclude that food aid may come up (in the New York meeting), but no decisions have

been made about food aid," department spokesman Mark Toner said about an hour before the end of the talks. (Yonhap, "N. Korea, U.S. End 'Constructive' Talks in New York," July 29, 2011) As leader Kim Jong Il tries to pass power to his youngest son, Kim Jong Eun, North Korea has become among the Obama administration's most puzzling targets: Diplomacy gives the United States a chance to influence Pyongyang and keep its nuclear program from further expansion. But diplomacy also threatens a repeat of past embarrassments, with Pyongyang making agreements and then ignoring them. That's why both the United States and South Korea have been so cautious about returning to the six-party talks, with officials in Washington and Seoul emphasizing that Pyongyang must meet certain "pre-steps" in advance of the multi-nation talks. Those pre-steps have been left largely undefined, but on Friday, South Korean nuclear envoy Wi Sung-lac, the chief negotiator with North Korea, said Pyongyang must cease its nuclear activities and allow International Atomic Energy Agency inspectors back into the country. "It's a huge task to achieve," Wi said during a lunch with several foreign reporters, "but a comprehensive approach is better than quick deals. It has to be a concrete road map." One U.S. expert, speaking on the condition of anonymity to freely share his opinion, said that the pre-steps outlined by Wi set too high a bar. North Korea, he said, will want to save the major concessions on its uranium enrichment program until after the six-party talks resume. (Chico Harlan, "U.S., North Korea Conclude 'Constructive' Talks," *Washington Post*, July 29, 2011) **North Korea must suspend all activities at its nuclear complexes and allow United Nations inspectors to verify a freeze before the six-nation negotiations can resume** on economic and other rewards for the country in exchange for ending its nuclear weapons programs, the chief South Korean nuclear negotiator said. "North Korea should take these presteps to improve six-party talks and make them more effective when they are resumed," said Wi Sung-lac, who met his North Korean counterpart, Ri Yong-ho, last week in Indonesia, referring to previous rounds of negotiations that included the two nations as well as the United States, Japan, Russia and China. "The North Korean reaction was not positive." The United States pressed the same demands during two days of talks with North Korean officials in New York that ended inconclusively. (Choe Sang-hun and Steven Lee Meyers, "Seoul Sets Terms for Resuming Nuclear Talks with North Korea," *New York Times*, July 29, 2011) Meeting with journalists on August 1 at the Millennium Hotel in New York City, where the North Korean delegation is staying, North Korean Deputy Ambassador to the United Nations Han Song-ryol said that further Pyongyang-Washington talks would be taking place in the future. When asked about whether North Korea was holding talks with South Korea, Japan, and China in addition to its talks with the United States, Han hinted at the possibility of considerable activity in bilateral discussions prior to the six-party talks. "Before the multilateral [six-party talks], there need to be continuous bilateral meetings," Han said. (Kwan Tae-ho, "Series of Bilateral Talks Planned Following U.S.-N. Korea Talks," *Hankyore*, August 2, 2011) Wrapping up a weeklong stay in New York, Kim Gae-wan expressed satisfaction on August 2 with the results of his talks with U.S. officials. "Dialogue will continue down the road," he added. Kim also said that more bilateral meetings are needed before multilateral negotiations can resume. "Isn't it good for each side to reconcile and guarantee security?" he asked. "Think. What benefits come from fighting and criticizing each other, whether between the North and the U.S. or the North and the South?" The State Department would not confirm

whether the U.S. agreed to have additional bilateral talks with North Korea, citing the need to consult with the other members of the six-party talks on terminating the communist nation's nuclear weapons program. The North's ambassador to the United Nations, Sin Son-ho, also made clear his country's desires. "Now is the era of dialogue," he told reporters separately. In Seoul on July 31, a South Korean official said the recent talks between North Korea and the U.S. in New York may not immediately resolve their differences but represent a positive "first step" toward more discussions, a South Korean official said Sunday. The official said the Kim-Bosworth meeting was "an extension" of an earlier inter-Korean meeting during a regional security forum in Indonesia. "I believe the mood (in New York) overall was positive," the official said on the condition of anonymity. "This meeting wasn't so groundbreaking that it will solve problems, but it was a first step toward more discussions between North Korea and the U.S." (Yonhap, "North Korea, U.S. Wrap Up 'Constructive' Talks in New York," *North Korea Newsletter* No. 169, August 4, 2011) South Korea and the United States are waiting for North Korea's decision to take "initial steps" toward denuclearization before conducting further talks, a visiting senior South Korean official said. "If North Korea wants to talk, there is no reason to avoid them," the official told reporters after meetings with top U.S. officials. "What is important is whether North Korea brings a new position (on denuclearization)." He said the North presented no "fresh or surprising" stance on the denuclearization issue in its high-level talks with the United States in New York. South Korea and the U.S. put forward proposals in their talks with the North and Pyongyang is expected to return to the bargaining table when it is ready to present a new stance, he added. He said the North needs to take initial steps first. He refused to elaborate. Such preconditions include the return of IAEA inspectors to the nuclear facilities of the reclusive nation, a halt to its uranium enrichment program and a moratorium on nuclear and ballistic missile tests, according to diplomatic sources. The official stressed that talks between Pyongyang and Washington should move forward along with inter-Korean dialogue. "The U.S. fully understands its importance," he said. With regard to possible food aid for North Korea, he said the U.S. believes it is not urgent. "North Korea's food situation itself is not that serious compared with previous years," he said, adding Pyongyang seems to be demanding rice for next year's festivals to mark the centenary of the birth of its founding leader Kim Il-sung, rather than feeding its ordinary people now. (Lee Chi-dong, "S. Korea, U.S. Want 'New Position' from N. Korea on Denuclearization: Official," August 11, 2011) North Korea must halt all of its nuclear activities, including a uranium enrichment program, and allow U.N. inspectors to verify the suspension before stalled six-party talks reopen, South Korea's foreign minister said August 12. "Suspension of all nuclear activities by North Korea, including its uranium enrichment program, is one of the prerequisites for the resumption of the six-party talks," Foreign Minister Kim Sung-hwan told reporters. "And then, there should be a process for the International Atomic Energy Agency to verify whether the nuclear activities are halted or not," Kim said when asked what North Korea should do to restart the multilateral process. South Korea and the U.S. pressed their demands when they met North Korea separately in bilateral talks last month, Kim said. After the bilateral meeting with the U.S., North Korea renewed its demand to resume the six-party talks "without preconditions." (Yonhap, "N. Korea Must Halt All Nuclear Activities ahead of 6-Party Talks: FM," August 12, 2011)

DPRK FoMin spokesman: "The DPRK delegation led by First Vice-Minister of Foreign Affairs Kim Kye Gwan visited the U.S. at the invitation of the U.S. government. It held high-ranking talks with the U.S. delegation led by Special Representative for the DPRK Policy Stephen Bosworth in New York from July 28 to 29. The talks had an in-depth discussion on the issues of improving the DPRK-U.S. relations, ensuring stability on the Korean Peninsula and resuming the six-party talks in a sincere and constructive atmosphere. Both sides recognized that the improvement of the bilateral relations and the peaceful negotiated settlement of the denuclearization of the Korean Peninsula **conform with the interests of the two sides and agreed to further dialogue.** The DPRK remains unchanged in its stand to resume the six-party talks without preconditions at an early date and comprehensively implement the September 19 joint statement on the principle of simultaneous action." (KCNA, "DPRK to Hold Six-Party Talks without Preconditions," August 1, 2011)

7/29/11

Guidance Bureau of Special Zone for International Tour of Mt. Kumgang of the DPRK report: The DPRK set July 29 as a deadline for holding the negotiations. As already opened to public, the DPRK promulgated a law on special zone for international tour of Mt. Kumgang of the DPRK following three-year suspension of the tour of the mountain due to the south Korean authorities. Then it took measures allowing the south Korean businesses to register their businesses and properties again and make up their minds either to take part in international tour or adjust their properties. The DPRK also provided several opportunities for them to hold negotiations with the DPRK. This was an expression of sincerity and magnanimity as it was a measure taken as compatriots to protect the property right and interests of the south side's businesses. The south Korean authorities, however, obstructed the negotiations between the DPRK and the south side's NGO business groups for the adjustment of properties. A few days ago, they proposed north-south authorities' working talks in a bid to totally elbow out NGOs from the negotiations. The DPRK side conveyed its stand that it can hold authorities' working talks on condition that the south side brings NGO groups to the Mt. Kumgang resort and start adjusting properties even though it was well aware of the ulterior aim sought by it. The south Korean authorities, however, misled public opinion for no good reason, saying that the DPRK rejected the north-south authorities' working talks. They neither sent NGO groups nor showed up themselves. This proves that the "protection of property right" of the south side's businesses touted by the south Korean authorities are empty talks and the proposed authorities' working talks are nothing but a trick to block the adjustment of properties and scotch international tour and the south Koreans' resumption of tour of Mt. Kumgang. The DPRK side notified the south side that it would start the legal disposal of the south side's properties according to its law unless the south side responds to the negotiations for the adjustment of the properties by July 29. Now that it has become impossible to hold negotiations due to the unreasonable obstructions of the puppet group, the Guidance Bureau declares that it would start the legal disposal of all the real estates and other properties of the south side inside the special zone for international tour of Mt. Kumgang. The DPRK notified Hyundai of this decision at Mt. Kumgang resort so that it can be conveyed to the south side's businesses. It also informed the south Korean authorities of the decision through a Panmunjom channel. The period of undergoing the procedures for the legal disposal of the south side's

businesses' properties is three weeks and those concerned of the south side are obliged to witness the proceedings. The disposal period can be extended if necessary so as to offer the south side's businesses the opportunities of taking part in international tour or leasing, transferring and selling their properties. Those businesses whose entry into Mt. Kumgang resort is difficult due to the authorities' obstruction can entrust the matter to a third party. They can meet the DPRK side in a third place for the registration and disposal of their properties or can choose other ways. Those businesses which failed to take part in the legal disposal of the properties within three weeks shall be considered as having given up their property right and their properties shall be disposed of according to the law on special zone for international tour of Mt. Kumgang. Those real estates shall be used for international tour after going through necessary procedures. The responsibility for the prevailing situation entirely rests with the south Korean authorities. These measures taken by the DPRK fully conform with the DPRK law and the international usage and therefore, the south side has no right to appeal against them. (KCNA, "DPRK to Start Legal Disposal of S. Side's Real Estates in Mt. Kumgang Resort," July 29, 2011)

7/30/11 This morning, the day North Korea selected as the deadline to deal with the property issue, North Korea sent a notice to the South Korean Unification Ministry, saying that with the South Korean authorities refusing even to hold working-level inter-governmental talks together with South Korean private companies, Pyongyang unavoidably needed to make a final decision, and that from Saturday, North Korea would begin practical measures to dispose of South Korean real estate in the Kumgangsan Mountains area in accordance with the Mt. Kumgang International Tourism Special District Law. North Korea also sent separate notifications to South Korean companies with assets in Kumgangsan, demanding they attend separate meeting at Mt. Kumgang within the legal three-week deadline, and that companies that fail to show with abandon their property rights and their assets will be dealt with in accordance with the Mt. Kumgang International Tourism Special District Law. (*Hankyore*, "N. Korea to Destroy S. Korean Property at Mt. Kumgang," July 30, 2011)

8/2/11 North Korea is developing a new mid-range ballistic missile that could reach as far as the U.S. territory of Guam, Japan's Defense Ministry said in an annual report released today. The North Korean missile called the Musudan is based on Russian technology acquired in the 1990s and is designed for launch from mobile platforms, the ministry said in its 2011 white paper. Tuesday's report was the first time Japan has officially mentioned the missile by name. According to the report, the missile would have an estimated range of 1,500-2,500 miles (2,500-4,000 kilometers). Guam is about 2,000 miles (3,200 kilometers) from North Korea. That is less than the multi-stage Taepodong-2 missile, which is believed capable of reaching the U.S. west coast. (Associated Press, "Japan Says North Korea Working on a New Missile, See Chinese Navy as More Active," August 2, 2011)

Three right-wing Japanese lawmakers who arrived in Korea yesterday in an apparent move to bolster Japan's territorial claim over the Dokdo islets were denied entry and returned home after waiting for hours at a Seoul airport. The Korean government refused their entry over their plan to visit Ulleung Island to counter Seoul's tightened

grip of nearby Dokdo. The territorial dispute between the two neighbors could take a turn for the worse today with Japan scheduled vote on its annual defense white paper, which contains fresh claims over the rocky outcroppings. Shindo Yoshitaka, Inada Tomomi and Sato Masahisa, all from the the conservative opposition Liberal Democratic Party, were denied entry after landing at Gimpo International Airport at 11:10 a.m. on an All Nippon Airways flight. The Ministry of Justice said it gave an ultimatum to the lawmakers at 6:50 p.m. to board an 8:10 p.m. flight back to Japan or be transferred to an airport facility that processes illegal immigrants. At that point, the lawmakers decided to leave, the ministry said. Shindo, before he boarded the plane, told reporters, "I'll be back." The Ministry of Justice and the Ministry of Foreign Affairs and Trade said the Japanese lawmakers were advised to return but initially refused, officials said. "The lawmakers attempted to clear customs but immigration officials escorted them to a waiting room for repatriation, explaining the government's decision to ban their entry," said a Seoul official. The official said immigration officials told the lawmakers that their visit was apparently aimed at taking issue with Korea's measures to strengthen its effective rule over Dokdo and thus ran counter to Korea's national interests. (Moon Gwang-lip, "Japanese Politicians Come - Then Go," *JoongAng Ilbo*, August 2, 2011)

8/3/11 The International Federation of Red Cross and Red Crescent Societies (IFRC) said it would provide some \$590,000 in emergency relief to help the North cope with recent torrential rains. On its website the IFRC said it would provide assistance to over 15,000 homeless or displaced people over the next six months. The move came after reports from North Korea that powerful winds and flash floods had destroyed 2,900 homes and dozens of people had died. Six officials from a South Korean civic coalition also arrived in Pyongyang to verify delivery of flour to the impoverished state. The monitors from the Korean Council for Reconciliation and Cooperation travelled to the North's capital via Beijing and were later expected to travel south to Sariwon to check on 300 tons of flour that was sent last week. "The officials will visit several institutions to confirm if the flour has been distributed in line with the distribution plan document," an official of the Unification Ministry said. (Kim Young-jin, "Officials in Pyongyang to Monitor Flood Aid," *Korea Times*, August 3, 2011)

8/4/11 North Korea asked South Korea to provide food, cement and heavy construction equipment on Thursday, a day after Seoul offered 5 billion won (US\$4.7 million) in emergency relief aid to the flood-stricken northern neighbor, an official said. But South Korea immediately turned down the North's request, replying to the North that it would only send medical supplies and other necessities, including blankets and packs of instant noodles, said the official of the Unification Ministry handling inter-Korean affairs. "We are not considering sending rice, flour and cement," to North Korea, he told reporters. The North's request was contained in a message from the country's Red Cross to its South Korean counterpart which was delivered through the border village of Panmunjom, said the official. He voiced hope that the two Koreas will be able to quickly conclude consultations on the proposed aid, the first of its kind since the North's deadly military attack on a South Korean island in November. North Korea has said through its state media that a recent powerful typhoon and heavy downpours have left dozens of people dead, injured or missing while destroying 2,900 homes and

submerging or washing away nearly 60,000 hectares of farmland. (Kim Kwang-tae, "N. Korea Demands Food, Cement in Response to South's Aid Offer," Yonhap, August 4, 2011)

North Korea has signed a deal with a New York-based company for tours to the Mount Kumgang resort, once jointly run with a South Korean conglomerate, a Korean-American businessman said. Park Il-woo, also known as Steve Park, who has long conducted business with the communist nation, said his firm recently signed a memorandum of understanding (MOU) on the Mount Kumgang tourism business. He is the president of Korea Pyongyang Trading U.S.A., which imports a North Korean liquor branded Pyongyang Soju. The MOU stipulates that the company will be in charge of marketing, investor relations and tourist recruitment for what is said to be the most scenic mountain on the peninsula. (Yonhap, "N. Korea Picks U.S. Firm for Mount Kumgang Tour Business," August 4, 2011) A small New York-based company selected by North Korea to revive a stalled tour program to a mountain resort in the isolated country needs the endorsement of the U.S. government for its project, a South Korean official said August 5. The U.S. Executive Order 13570 that took effect in April prohibits the importation into the United States, directly or indirectly, of any goods, services, or technology from North Korea. Under the order, the envisioned tour program to North Korea's Mount Kumgang by Korea Pyongyang Trading U.S.A. is subject to the U.S. government's approval, the official said. (Kim Kwang-tae, "New York Firm in N. Korea Tour Deal Needs Approval from Washington: Official," Yonhap, August 5, 2011)

Police in Seoul said that four South Koreans and a Korean-Chinese had been arrested on charges of drawing on that army to organize a hacking squad of 30 young video gaming experts. Working from Northern China, the police said, the squad created software that breached the servers for such popular South Korean online gaming sites as "Lineage" and "Dungeon and Fighter." The breach allowed round-the-clock play by "factories" of dozens of unmanned computers. Their accumulated gaming points were exchanged for cash at Web sites where human players are focused on acquiring enhancements for their online personas, or avatars. The gaming software was also sold, the police said; such factories, while illegal, are common in South Korea and China. In a little less than two years, the police said, the organizers made \$6 million. They gave 55 percent of it to the hackers, who forwarded some of it to agents in Pyongyang, the capital of North Korea. "They regularly contacted North Korean agents for close consultations," Chung Kil-hwan, a senior officer at the police agency's International Crime Investigation Unit, said during a news briefing. Chung said the hackers, all graduates of North Korea's elite science universities, were dispatched from two places: the state-run Korea Computer Center in Pyongyang and the Korea Neungnado General Trading Company. The company, he said, reports to a shadowy Communist Party agency called Office 39, which gathers foreign hard currency through drug trafficking, counterfeiting, arms sales and other illicit activities. (Choe Sang-hun, "Seoul Warns of Latest North Korean Threat: An Army of Online Gaming Hackers," *New York Times*, August 5, 2011, p. A-4)

8/7/11

Seoul remains open to a range of steps North Korea could take to show its readiness to rejoin multilateral denuclearization talks, an official said, amid ongoing regional

consultations over their resumption. A MOFAT official also reiterated that the Lee Myung-bak administration would stick to its "Grand Bargain" principle of swapping complete disarmament for aid and security guarantees in a one-shot deal. Analysts have suggested Pyongyang declare a moratorium on nuclear and missile tests or ship its fresh fuel rods out of the country as measures to prove to Washington and Seoul its intent to denuclearize. "Those measures are possibilities. We are very open to considering different options," the official said. "When North Korea takes measures to show sincerity for denuclearization, then we can go on to six-party talks and negotiate a grand bargain." In an article in *Foreign Policy*, Joel Wit, a former State Department official, said the North's increasing ability to mount its small arsenal of nuclear weapons on missiles, and its newly-revealed uranium enrichment program, heaped pressure on the Obama administration to quickly work to slow the program. "North Korea may well be at a critical transitional moment in the development of its nuclear arsenal," said Wit. "The issue before us now is what dangers lay ahead if the North steps up that effort." He suggested Obama be "open to agreements, at least in the near future, that fall short of achieving full denuclearization," despite likely criticism from Capitol Hill, mentioning the moratorium and fuel rods shipment as possible bargaining points. **The South Korean official said the partial approach was not an option. "We tried that before," he said. "It was not successful."** (Kim Young-jin, "Range of N.K. Steps Could Resume Nuke Talks: Seoul," *Korea Times*, August 7, 2011)

North Korea sounded out China in April about holding a joint military exercise to counter a U.S.-South Korea drill, but Beijing rejected the North Korean proposal on grounds that such a move would "provoke" Washington and Seoul, sources familiar with China-North Korea relations said. Under the proposal, Pyongyang suggested that China allow North Korean personnel onto its submarines to gather intelligence on the U.S. military, in case Washington sends a nuclear-powered aircraft carrier for its military exercise with South Korea. Pyongyang's proposal to hold a joint drill with China "appears to have strongly reflected" the wishes of North Korea's leader-in-waiting Kim Jong Un, one source said. (Kyodo, "N. Korea Sounded out China in April about Holding Joint Military Drill," August 7, 2011)

8/8/11

South Korea and the United States will practice destroying North Korea's weapons of mass destruction during their 10-day Ulchi Freedom Guardian exercise this month to improve their combat readiness. According to an anonymous government source, the two allies will form a combined unit called the Joint Task Force for Elimination when they start their annual joint military exercise on Aug. 16. Korean soldiers along with some 350 American troops will take part in a computer-assisted simulation command-post exercise, practicing detecting and destroying North Korean facilities that produce atomic bombs, missiles and chemical weapons. (*Chosun Ilbo*, "s. Korea, U.S. to Practice Destroying N. Korean WMDs," August 8, 2011)

The United States said it was willing to make joint efforts with North Korea to allow communication between families separated by the 1950-53 Korean War, an initiative seen as capitalizing on the recent resumption of high-level talks between the two sides. "The United States remains concerned about the issue of Korean-Americans separated from their family members in the Democratic People's Republic of Korea (DPRK) since

the end of the Korean War," the State Department said in a late-evening statement. "We continue to do all that we can to raise this issue in relevant fora." It added, "We regularly meet with the American Red Cross to discuss possibilities and modalities to reconnect Korean-Americans with relatives in the DPRK." The Democratic People's Republic of Korea is the official name of North Korea. (Lee Chi-dong, "U.S. Pushes to Work with N. Korea to Link Separated Families," *Yonhap*, August 8, 2011) A U.S.-based group established to arrange reunions of Korean-Americans and their families in North Korea says it is contacting family members in the U.S. to be included in a list for an exchange.

In an interview with Voice of America, the head of the organization, Lee Cha-hee, said parents who left their children in the North will be the first ones on the list. He added two in Chicago, one in Utah and another in Philadelphia are currently in contact. Lee said the initial exchange is to confirm whether the family members are still alive, and that details are being discussed with the American Red Cross. It is believed that exchanging the list was discussed between the U.S. and the North during U.S. human rights envoy Robert King's visit to Pyongyang in May, as well as last month's meeting between the two sides in New York. (*Chosun Ilbo*, "N. Korea, U.S. to Exchange List of Separated Families," August 10, 2011)

President Barack Obama's nominee for ambassador to South Korea is the latest State Department nominee to see his confirmation stalled by secret Senate holds. We don't know which senator has placed the hold, but we're told that it relates to GOP concerns that the Obama administration is seeking a path toward reengagement with Pyongyang and is also considering providing food aid to North Korea. (Josh Rogin, "South Korea Ambassador Nominee Stalled in Senate," *The Cable*, August 8, 2011)

The South Korean government has decided to move ahead with a three-way economic cooperation project, together with North Korea and Russia, to build a pipeline to carry Russian natural gas through North Korea without preconditions such as an apology from North Korea for the sinking of the Cheonan and the shelling of Yeonpyeong Island. "During diplomatic talks between South Korea and Russia in Moscow on August 8, we talked extensively about the issue of sending Russian natural gas to South Korea," said a government official. "Russian Minister Sergei Lavrov said, 'In recent deliberations between North Korea and Russia on the issue, North Korea's reaction was positive and I have positive expectations about the project.' Our plan is to move ahead with this project together with North Korea and Russia if they reach an agreement, rather than bringing inter-Korean politics into the matter." Another official said, "It currently appears that specific discussions have taken place between North Korea and Russia on the route for installing a pipeline. Russian firm Gazprom and KOGAS (Korea Gas Corporation) plan to begin working-level discussions soon." If agreement on installing the pipeline is reached, deliberations will also begin between North Korea and South Korea as necessary supplies and personnel will have to be exchanged between the two states. North Korea also stands to receive at least 100 million dollars in tolls. "If this is approached based on the concept of three-way economic cooperation, it may present a way to move beyond complex political problems between North Korea and South Korea," the government official emphasized. This effectively means that the government is promoting the pipeline

project as a means of gaining leverage in discussions on improving inter-Korean relations and denuclearization, in the name of three-way economic cooperation. (Son Won-je, "S. Korea, Russia and N. Korea Move forward with Gas Pipeline," *Hankyore*, August 12, 2011)

8/9/11

South Korea sent North Korea a list of relief items it is willing to deliver to flood victims in the impoverished nation, an official said. The South's Red Cross delivered the message to the North earlier today, offering 5 billion won (US\$4.6 million) worth of emergency staples including nutritional foods for infants, biscuits and instant noodles, according to the official from the Unification Ministry. The final list comprises only emergency foodstuffs and leaves out medical supplies and other necessities in order to better respond to the North's requests, according to the official. "We expect the North to accept our aid plan," the official said. (Lee Haye-ah, "South Korea Offers to Send Relief Items to Flood-Hit N. Korea," *Yonhap*, August 10, 2011)

Russia is having discussions with North Korea to build a pipeline across the country to supply Siberian natural gas to South Korea. Russian Foreign Minister Sergey Lavrov met in Moscow with South Korean Foreign Minister Kim Sung-hwan with energy issues on the agenda. Lavrov said there currently are "contacts at the level of gas companies' chiefs" in the Russian Federation, South Korea and North Korea for the proposed natural gas pipeline project. "If experts agree at the corporate level, all three capitals will provide political support," he said. "We want (North Korea) to develop dynamically and to solve its international problems that would facilitate the normalization of the situation in Northeast Asia," *Yonhap* news agency reported. Kim said he and Lavrov had "in-depth" discussions about the political situation on the Korean Peninsula, remarking, "Both sides agreed that the six-party talks, if resumed, should be substantial and practical." (UPI, "Russia Considers North Korea Pipeline," August 9, 2011)

8/10/11

South Korea fired three shots towards the tense western sea border after one North Korean shell **apparently** fell near there, the military here said. The Joint Chiefs of Staff (JCS) said the South's Navy **heard** North Korea fire three artillery shots toward the Northern Limit Line (NLL) around 1 p.m. and then responded around 2 p.m. with three warning shots. "We **estimated** that one North Korean shell dropped near the NLL," a JCS official said. "We haven't noticed any particular movements in the North Korean military but we're maintaining a defense posture." (*Yonhap*, "S. Korea Returns Fire after N. Korean Shell Falls near Sea Border," August 10, 2011) The three North Korean shells fired near the Northern Limit Line in the Yellow Sea prompted the South to fire three shells back, Defense Ministry spokesman Kim Min-seok said. Another ministry official said North Korea fired more rounds later in the day and South Korea responded. He could not immediately say how many rounds were fired by both sides. Both sides' shells landed in the water, and there were no reports of casualties. Baek Seung-joo, a military analyst at the state-run Korea Institute for Defense Analyses in South Korea, said the North appears to be rattling its sabers ahead of annual U.S.-South Korean military exercises planned for next week. North Korea routinely denounces Seoul and Washington for such drills, calling them precursors to an invasion. The impoverished North faces heavy economic pressure when it is forced to mobilize its own military to counter South Korean drills. Yesterday, a North Korean military spokesman released an

open letter that called the joint exercises "hideous provocations." He warned that the North has access to a "nuclear deterrent powerful enough to protect" itself. (Sam Kim, "Officials: N. Korea Shell Lands in S. Korean Waters," Associated Press, August 10, 2011) South Korean military officials said it appeared the North was conducting drills off the west coast of the divided peninsula, but that some of their shells had landed close to the maritime border. The South responded with verbal warnings and tit-for-tat warning shots of its own. In the first incident the North fired three shots at around 1:00 p.m., and the South returned three artillery rounds toward the same area about an hour later. At dusk, the North fired three more shots, at least one of which landed near the border triggering return fire from the South, a military official said. (Jack Kim, "North Korea Drill Draws Tit-for-Tat South Firing," Reuters, August 10, 2011) The military views North Korea's shelling of waters near the Northern Limit Line as an intentional provocation with multiple aims. A high ranking military officer said, "It seems to be a warning message prior to South Korea-U.S. annual drills that start on August 16, and a way to test how the South reacts to such provocation." What was distinctive about yesterday's shelling is that it happened late at night despite sea fog that restricted visibility to just 1 km. Normally, artillery drills take place during the day when the weather is clear so that it is easy to check whether the shells reached their target. "This clearly shows that it was not purely a regular military drill, but that North Korea carried it out with the intention of provoking the South," a military source said. Some believe that the North also wanted to see how the South Korean marine corps newly reacts to provocations after it was streamlined in June. (*Chosun Ilbo*, "The Reasons behind N. Korea's Latest Provocation," August 11, 2011) South Korea on August 11 dismissed a denial by North Korea that it twice carried out shelling along the flashpoint Yellow Sea border, which fuelled already high tensions. The South's defense ministry rejected the North's claim as "routine and unnatural", saying a frontline observation post clearly saw the shells landing near the border. Of five shells fired by North Korea, three fell north of the border -- known as the Northern Limit Line (NLL) -- and two landed close to it, prompting warning shots from marines based on Yeonpyeong island, a ministry spokesman told AFP. "Soldiers using observing equipment identified the spots where the shells landed," he said. "Our understanding is that this exchange of fire has now ended. That's a good thing. We call on (North Korea) to exercise restraint," State Department spokeswoman Victoria Nuland said. She said North Korea should "begin to take steps" aimed at restarting the six-party talks. (AFP, "S. Korea Dismisses N. Korea's Denial of Shelling," August 11, 2011)

KCNA: "The south Korean military warmongers are faking up again the burlesque that the army of the DPRK committed shelling "provocation" in the waters around Yonphyong Island and kicking up an anti-DPRK racket by mobilizing major media including KBS, MBC and Yonhap TV. The head of the north side to the north-south military working-level talks gave the following answer to a question put by KCNA today in this connection: At a time when a dynamic drive is making successful progress to build a thriving nation in all parts of the DPRK, there was normal blasting in the area of South Hwanghae Province close to the five islands in the West Sea of Korea on August 10 as part of the brisk construction of a gigantic object aimed at improving the standard of people's living. Frightened by this, the south Korean military warmongers spread misinformation that the army of the DPRK perpetrated a shelling "provocation."

They went the lengths of militarily reacting to this under that pretext. It was preposterous in the age of science when latest detecting and intelligence means are available that they mistook the blasting for shelling and they proved shells fell in the waters around the "northern limit line" though no shells were fired. It was a tragicomedy that they indiscriminately reacted to what happened with counter-shelling even without confirming the truth about the case in the sensitive waters of the West Sea of Korea. In order to paint the case as a "provocation" of the army of the DPRK, the south Korean military is making much fuss that its forces made a prompt "retaliatory action" as the firing of three shells was heard from near Yonpheong Island in the West Sea and one shell might have flown across the 'northern limit line,' a sheer fiction. In order to make their farce sound plausible, the south Korean belligerent elements made much fuss. They urgently increased the number of combat warships and flew fighters in the air near the five islands in the West Sea and alerted the frontline units. They, at the same time, ordered all the fishing boats of the south side to stop their operations and sail back to their ports and evacuated inhabitants. The army of the DPRK cannot overlook the actions taken by the south Korean military to orchestrate another poor anti-DPRK charade in broad daylight on the basis of their misjudgment of the normal blasting made in the course of peaceable construction as shelling provocation." (KCNA, "Truth about Shelling Fabricated by S. Korean Military Warmongers Exposed," August 10, 2011)

A military source reported that the South Korean military leadership issued a flurry of conflicting opinions during a video conference at the time of North Korea's firing of artillery near the Northern Limit Line (NLL) on August 10. Immediately after the North Korean military fired three artillery rounds in the vicinity of the NLL around 1 p.m. on the day of the incident, a video conference was held with the Joint Chiefs of Staff and Naval Operations Command, Navy 2nd Fleet Command, Northwest Islands Defense Command, and Yeonpyeong Unit in attendance. At the conference, an order was made to fire three K9 self-propelled artillery rounds as a response to a round estimated to have landed in waters 0.6 kilometers south of the NLL. According to a military source, the Chief of Naval Operations said at the meeting that he had ordered the firing of ten rounds north of the NLL as a threefold response. In response, the Chairman of the Joint Chiefs of Staff reportedly asked why the right of self-defense was not invoked for the 2nd Fleet, which was under the command of the NOC. The 2nd Fleet Commander responded that the instruction was to fire ten rounds to the south of the NLL rather than the north, while the Northwest Islands Defense Command chief said that the decision was independently made not to respond in that way, as there was no direct damage and the suspected landing point was within the margin of error for crossing the NLL, but that the Navy held authority for directing the operation, the source reported. The Yeonpyeong Unit reportedly held a similar view to the Northwest Islands Defense Command, postponing a decision on the method and timing of a response until after the video conference even after receiving orders from the 2nd Fleet. But the media and National Assembly charged recently that the "action first, reporting later" system emphasized by Defense Minister Kim Kwan-jin lacks substance, noting the decision at the Joint Chiefs of Staff video conference to disregard the "ten-round" order from the 2nd Fleet Command and fire three rounds instead. A military official said, "With 'action first, reporting later,' the party responsible for action and

reporting is the commander on the scene, and the head of the Yeonpyeong Unit, who was the commander on the scene in this case, made the determination that there was no need for an immediate response."The official added, "The National Assembly and media are denouncing the military based on the bizarre logic that the strange account given belatedly by the Chief of Naval Operations and 2nd Fleet Commander represents 'action first.'" The official also expressed concern about the differing opinions presented by the Northwest Islands Defense Command chief, 2nd Fleet Commander, and Chief of Naval Operations, who were in the chain of command of the Yeonpyeong Unit commander. "This is what happens when you say it is better for one dense general to command rather than two outstanding ones," the official said. Meanwhile, signs of a legal battle are appearing on Yeonpyeong Island. In the immediate wake of the artillery attack, residents reportedly paid a visit to the township office to protest the failure to give an evacuation broadcast, in the process breaking furniture and assaulting employees. Two employees who were injured filed a complaint against the residents on charges of assault, which police are currently investigating. Now, some residents are preparing a complaint to prosecutors accusing Yeonpyeong Township of dereliction of duty. In a telephone interview with the Hankyoreh, a resident said, "The legal situation is a real headache. No comment here." (Lee Soon-hyuk, "Reported Chaos over NLL Response and Yeonpyeong," August 22, 2011)

8/11/11

DoS: **Q:** Would the U.S. support face-to-face meetings between North Korean families who fled to the U.S. during the war and are still living here and their family members still in the DPRK? **A:** The United States would welcome efforts to reconnect Korean-Americans separated from their family members in the Democratic People's Republic of Korea (DPRK) since the end of the Korean War. As part of their humanitarian mission, the American Red Cross facilitates reconnecting families around the globe, and this would potentially include Korean-Americans with relatives in the DPRK. We refer you to the American Red Cross for more details on their Restoring Family Links services." (DoS, Spokesman's Office, Question Taken at the August 11, 2011 Daily Briefing)

DoS: "Deputy Secretary Bill Burns met with Ambassador Chun Yung-woo, Senior Secretary to the President for Foreign Affairs and National Security of the Republic of Korea in Washington, D.C. They held very productive discussions on a wide range of bilateral, regional and global issues. Secretary Hillary Clinton also met briefly with Ambassador Chun prior to his meeting with the Deputy Secretary." (DoS, Spokesman's Office, Question Taken at the August 11, 2011 Daily Briefing)

DPRK FoMin spokesman: "Recently the U.S. side proposed the DPRK to discuss the issue of the above-said reunion through the U.S. Red Cross Society and various official channels. The DPRK Red Cross Society is positively examining the issue from a humanitarian view-point though hostile relations exist between the DPRK and the U.S. If both sides promote cooperation, beginning with such humanitarian issues, it will help build mutual confidence required for solving complicated problems in the future." (KCNA, ""Spokesman for DPRK Foreign Ministry on Korean Americans' Reunion with Separated Family Members and Relatives," August 11, 2011)

Prime Minister Naoto Kan reconfirmed he intends to step down when bills to allow the government to issue deficit-covering bonds and promote the use of renewable energy sources are enacted. "When the two bills are enacted, I'll carry out what I said I'd do" at an early June meeting of Democratic Party of Japan lawmakers and a subsequent press conference, Kan said at the Audit and Oversight of Administration Committee in the House of Representatives that morning. (*Yomiuri Shimbun*, "Kan Reconfirms Intention to Step down," August 11, 2011)

Joshua Pollack: "News media descriptions of North Korea's commercial activities often claim that Pyongyang sells large numbers of ballistic missiles abroad. Some press reports even assert that North Korea brings in hundreds of millions of dollars, if not more, on Scud, Nodong, or Musudan missile sales in any given year. These stories are, in the best case, years out of date. Seized arms shipments tell the tale. Since the UN Security Council adopted Resolution 1874 in June 2009, expanding the authority of all nations to seize weapons shipments from North Korea, at least four such incidents have taken place—an unprecedented pace. While these events attest to North Korea's brisk arms commerce, none involved ballistic missiles. In July 2009, authorities in Sharjah, part of the United Arab Emirates, found ten containers of conventional weapons and related components and materials aboard the cargo ship *ANL Australia*. Investigators concluded that the containers had been headed from North Korea to Iran. In September, after the cargo ship *MSC Rachele* pulled into the port of Busan, South Korea, a search found four containers of nuclear-biological-chemical protective clothing from North Korea, apparently meant for Syria. In November, a similar scene played out in the port of Durban, South Africa. Inside two containers found aboard the cargo vessel *Westerhever* were spare parts for Soviet-made battle tanks of 1950s vintage. North Korea had been sending them to the Republic of Congo. In December, another conventional arms shipment to Iran was stopped, this time on an airplane that had made a stop at Don Mueang Airport in Bangkok, Thailand. (According to one account, a fifth incident, involving a shipment to Syria stopped at the port of Piraeus in Greece in September 2010, uncovered "metal and pipes" that possibly could be used in the making of "missile launchers." This vague description could refer to components of rocket artillery launchers. The nature of this event has yet to be clarified.) What this spate of recent arms seizures doesn't tell us is what the pattern of North Korean arms shipments used to be like, and whether exports of ballistic missiles were once more common. Fortunately, there is a body of evidence available on the subject, consisting of public, unclassified U.S. government data. These data, which appear in annual reports on the arms trade issued by the Congressional Research Service, do not explicitly connect North Korea to any particular delivery of weapons. Nor do they identify exactly which countries received what weapons. But with careful analysis and comparison to other public information, it is possible to reconstruct approximately how many ballistic missiles North Korea delivered to what region of the world—and sometimes which country—in any given year. This reconstruction, which can be viewed in an article in the current issue of *Nonproliferation Review*, suggests that North Korea has been the leading exporter of ballistic missiles since it entered the world market in 1987, followed by the Russians and Chinese. The known recipients of North Korean missiles are Iran, Syria, Egypt, Libya, Yemen, the United Arab Emirates, and

Pakistan. But the delivery of complete missiles is, for the most part, history. Over 80 percent of these deliveries took place before 1994.

Still, the decline in shipments of *complete* missiles did not spell the end of North Korea's missile trade. Another body of data, mostly consisting of news media reports describing seized shipments, indicates what replaced them: the delivery of missile parts, materials, and production equipment. Five out of the seven buyers of complete North Korean missiles—Iran, Syria, Egypt, Libya, and Pakistan—appear to have mostly shifted to buying their own missile factories, along with many of the parts and materials to use in them. By the early 2000s, the seizure of parts, materials, and production equipment had also started to slow. North Korea's customer base seems to have begun to contract rapidly at this point. The reasons for this change aren't completely clear, but a few incidents do stand out. Collectively, they point to the role of Western pressure on importers to cut ties with North Korea. In 2001, Pakistani ruler General Pervez Musharraf removed Dr. A.Q. Khan from control of Khan Research Laboratories (KRL), the Pakistani institution that dealt directly with the North Koreans. In late 2002, after the Spanish Navy stopped a North Korean Scud shipment in the Gulf of Aden, the United States wrested a promise from the government of Yemen to discontinue buying missiles from Pyongyang. A year later, the American and British governments announced an agreement with Libya to terminate its nuclear and ballistic missile programs, both of which had received aid from North Korea. Other information, including unclassified intelligence community reports to Congress, now indicates that North Korea's missile trade consists largely of collaborative development with Iran and Syria. These three countries share an interest in upgrading their ballistic missile arsenals both qualitatively and quantitatively so as to be able to overcome missile-defense deployments. Despite the best efforts of Western states to separate missile buyers from North Korean sellers, one new buyer may have appeared: Burma (also known as Myanmar). The reconstruction of missile exports based on the CRS reports, which runs through 2009, contains no deliveries of complete missiles to Asian states. However, there are reasons to suspect that North Korea may have started transferring missile production equipment, parts, and materials to Burma. In 2009, the websites of exiled Burmese opposition groups unveiled the text and accompanying photographs of an internal report documenting a visit by a senior Burmese general, Thura Shwe Mann, to Pyongyang and Beijing. (An English translation is available.) On October 26, 2008 in Pyongyang, the report states, General Shwe Mann and his North Korean counterpart, General Kim Kyok-sik, signed a Memorandum of Understanding that included "joint efforts in modernizing weapons and military equipment." Two days later, the Burmese delegation spent over an hour at the "Surface to Surface Missile (SCUD Missile) Factory," where they "observed in detail how missiles were produced." Also in 2009, Japanese authorities arrested one North Korean and two Japanese businessmen for shipping advanced machine tools to Myanmar, apparently at the behest of a North Korean front company in China. These tools—including a magnetometer and cylindrical grinders—could be used for the production of specialized magnets used in missile guidance systems. Most recently, in June 2011, the *New York Times* reported that the U.S. Navy had blocked a "shipment of suspected missile parts" from Burma to North Korea in May. A similar shipment is alleged to have successfully reached its destination in 2010. But if Burma is, in fact, the newest buyer of North Korean missile technology, it's the exception within an overall trend of decline.

Ironically, North Korea's very achievements as a proliferator of missile technology may end up doing as much as anything to put it out of business. Under A.Q. Khan, Pakistan's KRL is said to have marketed its own version of the North Korean Nodong missile, albeit without any known successes. According to the latest annual report to Congress, Iran has also begun marketing missiles. Syria, too, is becoming more independent as a missile producer, enough to become a proliferation concern itself. In fact, Syria already stands accused of transferring relatively advanced Scud-D missiles to Hezbollah, the armed group that now controls the government of Lebanon. Taking into consideration these and other, better-established missile exporters, particularly Russia, there might even be more potential suppliers than buyers in the world market. The prospects for Pyongyang's slice of the market, though once impressive, continue to diminish." (Joshua Pollack, "North Korea's Shrinking Role in the Global Missile Market," NAPSnet, August 11, 2011)

8/15/11

Russian President Dmitry Medvedev said in a message to Kim Jong-il that Moscow wants to cooperate with the two Koreas to move forward a project to build a gas pipeline and a railway linking the three countries. Building a gas pipeline across the two divided Korean states has long been a coveted project of Russia to sell its Siberian gas to South Korea. Talk of a project to connect the Trans-Siberian Railway (TSR) and the Trans-Korean Railway (TKR) has also been underway. But security tensions have hampered the projects. "We have willingness to boost cooperation with the DPRK in all directions of mutual concern, including a three-party plan encompassing Russia, the DPRK and the Republic of Korea in the fields of gasification, energy and railway construction," Medvedev said in the message. "They will be of important economic significance and contribute to stabilizing the situation in Northeast Asia and denuclearizing the Korean Peninsula," he said, according to KCNA. (Yonhap, "Russian President Calls for Cooperation with Two Koreas in Gas Pipeline, Railway Projects," August 15, 2011)

KCNA: "Kim Jong Il, chairman of the National Defence Commission of the DPRK, Monday received a message of greeting from D. Medvedev, president of the Russian Federation on the occasion of the day of Korea's liberation. The message said: 'Esteemed Your Excellency Kim Jong Il, I congratulate you on the occasion of the day of Korea's liberation, national holiday of the Korean people. We feel thankful to the Democratic People's Republic of Korea for valuing the memory of the Soviet Army soldiers who made great contributions to the cause of liberating Korea from the colonial rule. History proved the solidity of the friendship between the peoples of our two countries. We have willingness to boost cooperation with the DPRK in all directions of mutual concern including a three-party plan encompassing Russia, the DPRK and the Republic of Korea in the fields of gasification, energy and railway construction. They will be of important economic significance and contribute to stabilizing the situation in Northeast Asia and denuclearizing the Korean Peninsula.'" (KCNA, "Greeting to Kim Jong-il from Russian President," August 15, 2011)

8/16/11

North Korea has installed surveillance cameras and reinforced barbed wire in its northern border near Sinuiju, the northeastern city of Hyesan and other border areas close to China to try to stem the flow of defections of its people and the influx of

foreign influences, a source familiar with the issue said. The latest crackdowns on defectors came as North Korean leader Kim Jong-il called for a thorough inspection of residents during his trip to Sinuiju last month, the source said. While visiting Sinuiju on July 1-6, Kim also criticized residents in the Chinese border city and nearby areas for being influenced by capitalism, citing disorder and the way local residents dressed. Sinuiju and other porous border areas have served as key routes through which a stream of North Koreans continues to flee to China for eventual defections to South Korea, home to more than 21,000 North Korean refugees. (Kim Kwang-tae, "N. Korea Installs CCTV Cameras near Border with China to Thwart Defections," Yonhap, August 16, 2011)

8/17/11

FM Kim Sung-hwan noted a shift in Seoul's policy on North Korea, indicating a softening stance toward resuming talks with the communist state that killed dozens of South Koreans last year. Speaking at a meeting of the National Assembly's foreign affairs committee, Kim said the government's policy on Pyongyang has "changed for sure," despite the need to assess North Korea's behavior as a whole. Asked whether the government has dropped its demand for an apology, Kim said he is "not saying that is 100 percent the case," although a shift in stance is certain. (Yonhap, "FM Notes Shift in N. Korea policy," August 17, 2011)

DPRK FoMin spokesman's statement: "The United States and the south Korean authorities kicked off extremely provocative and aggressive Ulji Freedom Guardian joint military exercises targeted against the DPRK despite the repeated warnings of the DPRK. This saber-rattling started by the U.S. in collusion with the south Korean authorities is maneuvers for a nuclear war against the DPRK which brought to light their invariable hostile aim to stifle it by force of arms. This is entailing such adverse consequences as vitiating the atmosphere of dialogue created with much effort in reflection of the unanimous desire and wishes of the people at home and abroad for peace and stability on the Korean Peninsula and straining the situation. The U.S. is staging exercises for a war of aggression against its dialogue partner while putting up signboard of dialogue. This incoherent behavior on the part of the U.S. is only adding to the skepticism about whether it is sincere towards dialogue or not. It is preposterous for the U.S. to urge the DPRK to refrain from bolstering its nuclear deterrent, while whetting its swords for a war of aggression behind the scene of dialogue. It is very ill-boding that the U.S. let 'a special action unit' participate in the on-going joint military exercises as it is one tasked to detect and destroy nuclear weapons of the DPRK. The prevailing situation goes to prove that the U.S. is not set to realize the denuclearization of the Korean Peninsula through dialogue and negotiations but seize an opportunity to deprive it of nuclear deterrent by a brigandish method. It is self-evident that the DPRK should put spurs to bolstering its nuclear deterrent for self-defense both in quality and quantity to cope with this situation. Invariable is the stand of the DPRK to preserve peace and denuclearize the peninsula through dialogue and negotiations. No attempt on the part of the U.S. to do harm to the DPRK by force of arms can go with dialogue. This will only face the mode of merciless counteraction of Korean-style." (KCNA, "Spokesman for DPRK Foreign Ministry Slams Ulji Freedom Guardian," August 17, 2011)

8/18/11 DoS: "In response to humanitarian needs arising from recent flooding in the Democratic People's Republic of Korea (D.P.R.K.), the United States will provide emergency humanitarian assistance to D.P.R.K. The United States Agency for International Development (USAID) will contribute up to \$900,000 in emergency relief supplies to North Korea's Kangwon and North and South Hwanghae provinces through U.S. NGOs. Following severe flooding in September 2010, USAID provided \$600,000 in emergency relief supplies to the D.P.R.K. This emergency relief demonstrates our continuing concern for the well-being of the North Korean people. The United States supports emergency humanitarian assistance to the people of North Korea in accordance with international standards for monitoring. It has been the United States' longstanding position that the provision of humanitarian assistance is separate from political and security concerns." (DoS, Office of the Spokesman, Media Note, August 18, 2011)

8/19/11 North Korea said it has accepted a request by the United States for talks on resuming remains recovery for American troops killed during the 1950-53 Korean War. North Korea "affirmatively" accepted the recent U.S. offer from "humanitarianism," a spokesman for the North's Foreign Affairs Ministry said in a comment carried by KCNA. The North announced its latest conciliatory gesture toward the U.S. just hours after Washington offered \$900,000 in emergency aid to flood-ravaged North Korea. (Kim Kwang-tae, "N. Korea Accepts U.S. Request for Talks on Remains Recovery," Yonhap, August 19, 2011)

North Korea has allowed South Korean civic workers a high level of access to oversee a recent delivery of flour, the head of a monitoring team said. Lee Woon-sik, who earlier this month led the team to Sariwon, a town south of Pyongyang, said they visited a daycare center and other facilities to make sure the flour was being distributed properly to the correct beneficiaries. The members of the team videotaped their inspection and delivered it to the Ministry of Unification responsible for approving such aid, he said. (Kim Young-jin, "N.K. Allows NGOs High Level of Monitoring," *Korea Times*, August 19, 2011)

North Korea said it has accepted a request by the United States for talks on resuming remains recovery for American troops killed during the 1950-53 Korean War. North Korea "affirmatively" accepted the recent U.S. offer from "humanitarianism," a spokesman for the North's Foreign Ministry said in a comment carried by KCNA. The North announced its latest conciliatory gesture toward the U.S. just hours after Washington offered \$900,000 in emergency aid to flood-ravaged North Korea. (Kim Kwang-tae, "N. Korea Accepts U.S. Request for Talks on Remains Recovery," Yonhap, August 19, 2011)

8/20/11 North Korean leader Kim Jong-il arrived in Russia by train, a government source here said. "We understand Chairman Kim's special train pulled into Khasan Station at about 10 a.m. after crossing the North Korean border into Russia and that a welcoming ceremony is happening there," the source said. The arrival in Khasan, a city in the Russian Far East, was delayed two to three hours than scheduled. (Yonhap, "N. Korean Leader Arrives in Russia," August 20, 2011) An armored train carried the North Korean

leader Kim Jong-il to a hydroelectric plant in the Russian region of Siberia on August 21, according to news reports and South Korean officials, amid signs that Mr. Kim might be seeking a lucrative role in relaying Russian energy to South Korea and Japan. Kim is making his first trip to Russia since 2002. The two South Korean government officials who confirmed Mr. Kim's visit to the power plant could provide no additional details. As in past visits abroad, Kim, who according to reports lives in constant fear for his security, has kept the details secret. The Kremlin released a terse statement on Saturday, only confirming his visit and the expected meeting with the Russian president, Dmitri A. Medvedev, August 23 in the eastern Siberian city of Ulan Ude near Lake Baikal in the Buddhist region of Buryatia some 3,450 miles east of Moscow, according to Yonhap. After receiving a red carpet welcome from the Russian president's envoy to the Far Eastern Region, Viktor Ishayev, and by Russian women carrying the traditional offer of a loaf of bread and salt, Mr. Kim switched to a Mercedes car for the ride to the nearby Bureiskaya hydroelectric plant. Mutual economic and political interests bring the two leaders together, analysts in Seoul said. Kim's efforts to pull his country out of its economic doldrums depends largely on finding a stable access to hard currency and relatively cheap energy. For years, Moscow and Seoul have urged North Korea to let them build a pipeline through its territory to carry Russian natural gas to meet the rising demand in South Korea and perhaps Japan. North Korea can expect to earn as much as \$500 million a year in transit fees from the pipeline, according to South Korean analysts. With South Korean support, Russia has been discussing with Pyongyang the idea of extending its Trans-Siberian Railway through North Korea into South Korea and building high-voltage power lines to sell its surplus electricity, from plants like Bureiskaya, to South Korea and North Korea. Russian officials have said that such deals will help develop its sparsely populated Far Eastern region. After years of hesitancy, North Korea has recently shown some interest. Executives from the Russian gas firm Gazprom visited Pyongyang in July. Earlier this month, the Russian foreign minister, Sergey V. Lavrov, said that North Korea was "positive" about the pipeline project. North Korea's official media acknowledged last week that Mr. Medvedev called for greater cooperation between Russia and the two Koreas in the fields of gas, energy and railways. South Korean analysts were divided over whether the proposed pipeline would be an economic and security risk because it passed through North Korea or whether such a multilateral deal would help the North rebuild its economy and even become more flexible over its nuclear weapons ambitions. Kim has told his people repeatedly that in 2012 he will "open the door for a strong and prosperous nation," so he needs to "present them with something that will give them hopes and expectations," said Kim Yong-hyun of Dongguk University in Seoul. "Russia's abundant oil fields and natural gas reserves seem to give it some of the power leverage it had lost in Northeast Asia since the cold war." (Choe Sang-hun and Michael Schwartz, "Korean Leader Tours Hydroelectric Plant in Siberia," *New York Times*, August 21, 2011) The main reason for Kim Jong-il's visit to Russia that began on Saturday seems to be North Korea's dire economic hardship, a senior Unification Ministry official said August 21. The North Korean regime urgently needs money to celebrate regime founder Kim Il-sung's 100th birthday next year, when it has announced it will become a "powerful and prosperous" nation. Kim's visit to Russia seems to have been triggered by the view that dependence on China alone is not enough to secure the cash he needs. According to

Cho Bong-hyun of the IBK Economic Research Institute, "North Korea urgently needs to restore power supply." This is why Kim made his first stop at the Bureya Hydroelectric Power Plant, the largest in Siberia, on Sunday, experts say. Kim reportedly discussed ways to export surplus electricity from the plant to North Korea. He is expected to urge Russia to invest more in the Rajin-Sonbong special economic zone. Russia is already repairing a 52-km railroad connecting Rajin and Kazan in Russia and plans to build container terminal in Rajin Port. Russia also wants to supply natural gas produced in Siberia to South Korea through a gas pipeline passing through North Korea. South Korea and Russia signed a memorandum of understanding in September 2008 for a plan to export at least 10 billion cubic m of Russian natural gas to the South, but it was put on ice over the North Korean nuclear issue. (*Chosun Ilbo*, "Kim Jong-il's Russia Trip Prompted by Economic Hardship," August 22, 2011) North Korea agreed to "unconditionally rejoin" the stalled six-nation talks aimed at resolving its nuclear standoff during a summit meeting between its leader Kim Jong-il and Russian President Dmitry Medvedev on August 24, a spokeswoman for the Russian government said. Pyongyang is ready to resume international talks on its nuclear program without preconditions and "in the course of the talks North Korea will be ready to resolve the question of imposing a moratorium on tests and production of nuclear missile weapons," said Natalya Timakova. During the talks pushing forward ties between the two Cold War allies, Kim also expressed support for a natural gas pipeline deal with Russia. "As far as I understand, North Korea is interested in the implementation of such trilateral projects with the participation of Russia and South Korea," Medvedev said after the rare talks which he called "open and substantive." (Shin Hae-in, "North Korea Agrees to Rejoin Six-Party Talks," *Korea Herald*, August 24, 2011) North Korean leader Kim Jong-il and Russian President Dmitry Medvedev met at a military base in Sosnovy Bor on the outskirts of Ulan-Ude near Lake Baikal in Siberia on Wednesday. They discussed bilateral cooperation. After the summit, Medvedev told AFP, "As for gas cooperation, we have results. We've ordered our government bodies to establish a special commission... to outline the details of bilateral cooperation on gas transit through the territory of North Korea and the joining of South Korea to the project," Medvedev said. (*Chosun Ilbo*, "N. Korea, Russia Agree on Gas Pipeline," August 25, 2011) "Obviously, if in fact they are now willing to refrain from nuclear tests and missile launches, this would be welcome, but it would be insufficient," said DoS spokesman Victoria Nuland. Kim's health seems to be improving judging by the pictures of him posted on a Russian news website which show that he has gained some weight and is using his left arm. (Yonhap, "Contents and Meaning of DPRK-Russia Summit," *Vantage Point*, October 2011, pp. 6-7) The United States and South Korea have reacted coolly to North Korean leader Kim Jong Il's reported readiness to impose a nuclear test and production moratorium if international talks on Pyongyang's atomic program resume. Kim's armored train was said to be heading toward Manchuria in China, a day after he led his country's latest effort to win new aid-for-disarmament discussions at a rare summit with Russian President Dmitry Medvedev in eastern Siberia. U.S. State Department spokeswoman Victoria Nuland said Kim's apparent offer was "a welcome first step" but not enough to restart the long-stalled talks meant to end the North's nuclear weapons ambitions. Washington and Seoul have been wary of the North's repeated calls for new six-party nuclear talks, calling first for an improvement in dismal ties between the Koreas and for a sincere sign from the

North that it will abide by past commitments it has made in previous rounds of the nuclear talks. Yonhap news agency quoted an unnamed South Korean official as saying the results of the summit fell short of the expectations of Seoul, Washington and Tokyo. Kim reportedly also made no mention of an issue that lies at the heart of negotiators' worries: North Korea's recently revealed uranium enrichment program. Yonhap said the South Korean official raised the need for the North to address its uranium efforts, which could give it another way to make atomic bombs. The U.S. State Department spokeswoman also said after the summit that North Korea's disclosure of a uranium enrichment facility last November "remains a matter of serious concern" that violates U.N. resolutions and nuclear commitments Pyongyang made in a 2005 deal. "We will not go back to six-party talks until North Koreans are prepared to meet all of the commitments that we've all laid out," Nuland told reporters in Washington. Yonhap said in an editorial that many had hoped the summit would signal change for the Korean peninsula, but the results instead seemed a "'storm in a teacup,' lacking any new content." "The communist country has a track record of alternately using provocations and dialogue with South Korea, the United States and other regional powers to try to wrest concessions before backtracking on agreements and quitting the nuclear talks," the editorial said of the North. (Associated Press, "U.S., South Korea Cool to North Korea's Efforts to Restart Stalled Nuclear Talks," August 25, 2011) The North Korean leader, Kim Jong-il, has agreed to consider a moratorium on nuclear weapons tests and production, and said he would return to stalled six-party talks on the nation's nuclear program, the Russian presidential press secretary told the Russian news media on August 24. Kim made the agreement at a meeting with President Dmitri A. Medvedev in the southern Siberian city of Ulan Ude, where he is stopping on a weeklong trip in his armored train. "They confirmed their willingness to go back to the negotiations without preconditions," the press secretary, Natalya Timakova, said after the meeting. **"In the course of the talks, North Korea will be ready to resolve the question of imposing a moratorium on tests and production of nuclear missile weapons,"** she was quoted as saying. Washington and Seoul have demanded that North Korea announce such a moratorium before, not after, six-party talks begin. Still, Kim's reported comment offered another sign that his government wanted to return to the nuclear disarmament talks. KCNA reported early August 25 that Kim and Medvedev had agreed that the talks should be reconvened "without preconditions" and strive to achieve the "denuclearization of the whole Korean Peninsula," based on the principle of "simultaneous actions," according to Yonhap. There was no mention of a moratorium. (Seth Mydans and Choe Sang-hun, "North Korea Is Said to Weigh Nuclear Test Moratorium," *New York Times*, August 25, 2011, p. A-13)

8/22/11

North Korea gave South Korean tourism officials 72 hours to leave a mountain resort, declaring that it will start auctioning off South Korean-owned hotels, restaurants and other remnants of what used to be a symbol of inter-Korean cooperation. North Korea gave the ultimatum after talks failed to resolve a dispute over whether and under what conditions tourism in the resort should resume. "We consider that the South has completely given up all rights on properties owned by South Korean companies and now start legal disposal of them," KCNA quoted the North Korean tourism authorities as saying. "All assets owned by South Korean companies in the Geumgangsan resort are banned from being taken out as of August 21 " The South Korean assets held in the resort amount to 480 billion won, or \$443 million, according to government

data. North Korea said last year that it had confiscated them, including a spa, a duty free shop and other facilities built and owned by the South Korean government. Fourteen South Koreans were staying in the area maintaining the facilities owned by Hyundai and other South Korean private investors. The Unification Ministry, a South Korean government agency in charges of inter-Korean relations, said that it would take "all possible diplomatic and legal measures to protect the property rights of our government and enterprises." Hyundai-Asan, which developed and ran the resort, warned that anyone who buys facilities at the North Korean resort will be implicated in international lawsuits. (Choe Sang-hun, "North Korea Plans to Auction Resort Owned by South," *New York Times*, August 23, 2011, p. A-9) The North "has so far provided several opportunities for negotiations and made every sincere effort, advancing a variety of choices so that the properties may be dealt with according to the will of enterprises of the South side," he said. "This is not good," said Moon Chung-in of Yonsei University in Seoul. "North Korea has been sending a very clear message, but our government has been delaying the decision. I don't know why they have handled this situation like this." (Jeremy Laurence, "Pyongyang Expels South Koreans from 'Peace' Resort," Reuters, August 22, 2011)

8/24/11

Former Grand National Party (GNP) Chairwoman Park Geun-hye outlined a new North Korea policy of "trustpolitik" and an "alignment policy" on Tuesday. In introducing the policy, Park remarked on the need to realize new developments in North Korean policy, saying policymakers in Asia and the international community must "adopt a bolder and more creative approach." Park's contribution, titled "A New Kind of Korea," was published Tuesday in the U.S. foreign policy bimonthly journal *Foreign Affairs*. In the article, Park offers balanced policy as a strategy for bringing trust-based diplomacy into inter-Korean relations "What little confidence did exist between the two countries virtually disappeared last year, after North Korea destroyed the South Korean naval ship *Cheonan* in March and brazenly attacked Yeonpyeong Island in November," Park wrote. "In order to transform the Korean Peninsula from a zone of conflict into a zone of trust, South Korea should adopt a policy of 'trustpolitik,' establishing mutually binding expectations based on global norms." In addition, Park remarked that neither those who have continually supported North Korea nor those who have continually emphasized pressure have succeeded in effecting meaningful changes in the country. "A new policy is needed: an alignment policy, which should be buttressed by political consensus and remain constant in the face of political transitions and unexpected domestic or international events," she said. "An alignment policy would entail assuming a tough line against North Korea sometimes and a flexible policy open to negotiations other times." "To implement such an alignment policy, South Korea must first demonstrate, through a robust and credible deterrent posture, that it will no longer tolerate North Korea's increasingly violent provocations. It must show Pyongyang that the North will pay a heavy price for its nuclear threats." At the same time, Park says Seoul and its allies "must also be prepared to offer Pyongyang a new beginning. Trust can be built on incremental gains, such as joint projects for enhanced economic cooperation, humanitarian assistance from the South to the North, and new trade and investment opportunities." (Seong Yeon-cheol, "Park Geun-hye Outlines More Balanced N. Korea Policy in Foreign Affairs," *Hankyore*, August 24, 2011)

8/25-26/11

Crossing into China from Siberia, Kim Jong-il's train stopped in Manzhouli, where he was met by Wang Jiarui, CCP International Section head. In a meeting with Dai Bingguo on August 26, **Kim confirmed he was ready to put a moratorium of testing nuclear weapons and ballistic missiles**, China state media reported. (Yonhap, "Kim Jong-il's Unexpected Visit to China," Vanatge Point, October 2011, pp. 17-18) North Korean leader Kim Jong-il toured industrial facilities in northeastern China on August 26 on his way back home from a trip to Russia, a source said. Kim visited the facilities in the Chinese city of Qiqihar, a hub of automobile industries, and Daqing, home to China's largest oilfield, the source said. In Daqing, he was observed on a tour of a new residential district and an oilfield museum in the city's downtown area. After the tour, the North Korean leader met with Chinese State Councilor Dai Bingguo, according to Xinhua. (Yonhap, "N. Korean Leader Tours Industrial Facilities in China," August 27, 2011)

Former Vice President Dick Cheney says in a new memoir that he urged President George W. Bush to bomb a suspected Syrian nuclear reactor site in June 2007. But, he wrote, Mr. Bush opted for a diplomatic approach after other advisers – still stinging over "the bad intelligence we had received about Iraq's stockpiles of weapons of mass destruction" – expressed misgivings. "I again made the case for U.S. military action against the reactor," Cheney wrote about a meeting on the issue. "But I was a lone voice. After I finished, the president asked, 'Does anyone here agree with the vice president?' Not a single hand went up around the room." Bush chose to try diplomatic pressure to force the Syrians to abandon the secret program, but the Israelis bombed the site in September 2007. Mr. Cheney's account of the discussion appears in his autobiography, "In My Time: A Personal and Political Memoir," which is to be published by Simon & Schuster next week. (Charlie Savage, "Cheney Says He Urged Bush to Bomb Syria in '07," *New York Times*, August 25, 2011, p. A-18) Ex-DCI Hayden: "Writing in *The Post* last week, Bob Woodward described my assessment given at a meeting in the White House residence during the summer of 2007: "That's a reactor. I have high confidence. That Syria and North Korea have been cooperating for 10 years on a nuclear reactor program, I have high confidence. North Korea built that reactor? I have medium confidence. On [the question whether] it is part of a nuclear weapons program, I have low confidence." **To be clear about the last point: I told the president that al-Kibar was part of a nuclear weapons program. Why else would the Syrians take such a risk if they were not gambling on such a game-changer? And, besides, we could conceive of no alternative uses for the facility. But since we could not identify the other essentials of a weapons program (a reprocessing plant, work on a warhead, etc.), we cautiously characterized this finding as "low confidence."** Woodward describes the intelligence as fact-based but then **says it was shaped to discourage a preemptive U.S. strike. That's not what intelligence does**, and confusion on that point may have been generated **by a coin, mentioned by Woodward, that CIA folks working on al-Kibar made after the facility was destroyed. On that coin, emblazoned across a map of Syria, were the four words that had been the rallying cry of this effort: "No core, no war."** Except that "no war" was never taken to mean no kinetic option against al-Kibar. Rather, it referred to the overall policy direction we were following: Whatever we did to make this reactor go away ("no core"), it could not lead to a generalized conflict in the Eastern

Mediterranean ("no war"). Hence, **knowledge of the facility was closely held within the U.S. government. Congressional notifications were limited.** Even within the executive branch, the data were compartmentalized. All of this was designed to prevent a leak and preclude a circumstance in which we put Syrian President Bashar al-Assad in a position where he felt publicly humiliated and thought he had to respond if the facility were attacked. As it happened, the plutonium plant at al-Kibar was destroyed by the Israelis in September 2007. Neither the Syrian, U.S. nor Israeli governments said much about it. Assad let the facility's destruction pass. "No core, no war." It's puzzling to me why al-Kibar has been resurrected. We were wrong about Iraq's nuclear program. Fair enough. History will tell how right or wrong we were about Iran. I can accept that. But we got al-Kibar right. And the debate in the U.S. government over its fate was informed by hard facts. The debate reflected differing views, differing approaches. They were aired. Decisions were made. Isn't that how it's supposed to work?" (Michael V. Hayden, "Correcting the Record about That Syrian Nuclear Reactor," *Washington Post*, September 22, 2011)

8/26/11 Japanese Prime Minister Kan Naoto announced his resignation, ending a 15-month tenure defined by crisis and opening the door for this country's seventh leader since 2006. Five Democratic Party of Japan lawmakers declared their candidacies to become the country's next leader, with industry minister Kaieda Banri seen as leaping ahead of the pack, positioning himself as ready to drop many of the policies of outgoing Prime Minister Kan. The four others who filed their candidacy papers for the ruling party's presidential election, scheduled for Monday, are former Foreign Minister Maehara Seiji, 49, Finance Minister Noda Yoshihiko, 54, farm minister Kano Michihiko, 69, and former transport minister Mabuchi Sumio, 51. Media polls have shown that Maehara is the public's favorite. But he is expected to face an uphill battle as DPJ power broker Ozawa Ichiro and Hatoyama Yukio, Kan's predecessor, have decided to back Kaieda, 62. (Kyodo, "Five Candidates Vie for Japan's New Leadership Post," August 27, 2011)

8/30/11 President Lee Myung-bak named a close confidant as South Korea's new unification minister handling relations with North Korea in a Cabinet reorganization, a replacement that may signal a shift in Seoul's policy on Pyongyang. New Unification Minister-designate Yu Woo-ik, who previously served as Lee's chief of staff and ambassador to China, will succeed Hyun In-taek, a scholar-turned-minister known for his hard-line stance on North Korea. Hyun was named a special presidential advisor for unification affairs in the announcement. The replacing of Hyun had been expected as the leader of the ruling Grand National Party (GNP) had strongly called for naming a new minister to help improve the South's long-strained relations with the North. (Chang Jae-soon, "Lee Names New Unification Minister in Cabinet Reshuffle," *Yonhap*, August 30, 2011) A senior Cheong Wa Dae official said, "We worried that the replacement could send the wrong signal" that policies toward North Korea may change. "That is why we appointed Hyun presidential special advisor on reunification affairs." "Even before Hyun was replaced, we already resumed humanitarian assistance for North Korea and engaged in contact behind the scenes, so communication was not entirely cut off," said Dong Young-seung of the Samsung Economic Research Institute. "A new minister does not mean a major shift in North Korea policy." But the outgoing minister held to a strict quid-pro-quo approach in dealing with North Korea, while

ruling Grand National Party lawmakers close to minister-designate Yu say he feels that a breakthrough is needed in inter-Korean relations and that can be achieved by a summit. They believe Yu is on the same page as Presidential Chief of Staff Yim Tae-hee, who has supported an inter-Korean summit. When he was ambassador to China, Yu apparently sought to open communication channels with the North Korean embassy there. Cheong Wa Dae spokesman Kim Du-woo in a press conference announcing the Cabinet reshuffle said the policy will change "a little" when the new minister arrives and added Yu "has his own ideas and political leanings." Yang Moo-jin, a professor at the University of North Korean Studies in Seoul, said, "If Hyun stuck to principles, Yu is a pragmatist who focuses on results. The Lee Myung-bak administration sought to handle North Korea through a confrontational approach over the past three-and-a-half years, but this didn't work, so Yu will try to improve relations with a more flexible approach." And Kim Yong-hyun, a North Korea expert at Dongguk University, said, "The government seems to have been wary of upsetting conservatives with the latest reshuffle, but the overall direction points toward dialogue. If North Korea shows flexibility, the government is sending a message that it is willing to respond." One expert familiar with the Lee administration's diplomacy and security policies, said Hyun was kept as a special advisor in order to dispel the image that the Lee administration has caved into the demands of leftwing factions, but the real situation is probably quite different. He warned North Korea "could mistakenly believe that Hyun was sacked and that they have gained the upper hand in negotiations with South Korea." (*Chosun Ilbo*, "Does the Cabinet Reshuffle Signal Change in N. Korea Policy?" August 31, 2011)

The two Koreas and Russia will begin discussing in November the construction of a pipeline through North Korea that will supply Russian natural gas to the South, the chairman of the ruling Grand National Party, Hong Joon-pyo, disclosed. "The project had been agreed to by South Korea and Russia and also won agreement between the North and Russia," Hong said in two speeches for Grand National Party members. "Now, the project will be realized after reaching agreement by working-level officials of the three countries." The director of the National Intelligence Service, Won Sei-hoon, told the National Assembly's Intelligence Committee earlier this month that North Korea had agreed to the pipeline project. The pipeline was also discussed at North Korean leader Kim Jong-il's meeting with Russian President Dmitri Medvedev last week. The project, Hong said, would benefit both Koreas. "North Korea will benefit from it by receiving the annual passage fee of \$100 million," Hong said, "higher than the earnings from Mount Kumgang tourism and from the Kaesong Industrial Complex. The Russian supply of gas will lower the price of natural gas in South Korea by 20 to 30 percent." Hong added that another ambitious project to link the South with the Trans-Siberian Railway via North Korea would also see progress. The railway project has been pushed forward since the Kim Dae-jung administration. "Modernizing the North's railways will cost \$2.5 billion, and the South and Russia should think about jointly financing it," Hong said. (Ser Myo-ja, "Pipeline Project Talks Set for November," *JoongAng Ilbo*, August 31, 2011) GNP Chairman Hong Joon-pyo stated, "The time has come to show a more forward-thinking approach on inter-Korean relations." Speaking at a special talk in Incheon for the Hannara Incheon Forum and party member workshop for Hongcheon, Gangwon Province, Hong said, "Why did South Koreans not

vote for the Grand National Party in last year's local election even after the Cheonan situation occurred? The Grand National Party keeps getting painted as being anti-reunification." Regarding a South Korea-North Korea-Russia gas pipeline currently being pushed by the government, Hong said, "My understanding is that the three parties, South Korea, North Korea, and Russia, are going to hold negotiations some time around November." "The gas pipeline project was agreed upon by South Korea and Russia and between North Korea and Russia, so the inter-Korean pipeline project will be going ahead once working officials for the three countries get together and reach an agreement," Hong added. Hong also said, "President Lee Myung-bak has been quietly pushing the inter-Korean gas pipeline project since early on in his term, and the accomplishment is entirely the president's." "With the inter-Korean gas pipeline project, we are readying a new turning point," he added. (Hwang Joon-bum, "GNP Moves away from Lee's Ultra-Hardline N. Korea Policy, *Hankyore*, August 30, 2011)

A day after his election as new Democratic Party of Japan president, Noda Yoshihiko was named prime minister in the Diet, becoming the 62nd figure to take the helm of the nation. Noda's appointment as prime minister means he will head the 95th Cabinet to be formed in the history of the country's constitutional politics. Noda, 54, started drawing up a list of new senior DPJ officials and members of his yet-to-be-launched Cabinet. Koshiishi Azuma, chairman of the ruling party's caucus in the House of Councillors, is almost certain to assume the post of DPJ secretary general, a key position for the day-to-day running of the party. Meanwhile, former Foreign Minister Maehara Seiji likely will be named chairman of the DPJ Policy Research Committee. In the afternoon, Noda met Koshiishi, 75, at DPJ headquarters. The prime minister-elect officially asked the DPJ veteran to serve as party secretary general. Koshiishi accepted the request. Koshiishi has close relations with party strongman Ozawa Ichiro. Noda's request is apparently aimed at closing ranks among party lawmakers supporting former party President Ozawa and anti-Ozawa members, thus ensuring party unity and managing the DPJ in a smooth and stable manner, according to observers. Meanwhile, Noda met Maehara at DPJ headquarters Tuesday evening and asked him to become the party's chief policymaker. Maehara accepted the post. . In the first round of voting, Noda received 110 votes, and LDP President Sadakazu Tanigaki 85, meaning neither emerged victorious by gaining a majority of votes cast in the 242-member chamber. The result called for a runoff between the top two contenders. Noda beat Tanigaki 110 to 107, with 24 blank votes cast by opposition parties and others. This morning, Noda attended a cabinet meeting as finance minister of the Kan administration. (*Yomiuri Shimbun*, "Noda Named Prime Minister; Unity among DPJ Groups Essential for Party Leadership Picks," August 30, 2011)

After nearly half of the servers for a South Korean bank crashed one day in April, investigators here found evidence indicating that they were dealing with a new kind of attack from an old rival: North Korea. South Korean officials said that 30 million customers of the Nonghyup agricultural bank were unable to use ATMs or online services for several days and that key data were destroyed, making it the most serious of a series of incidents in recent months. But even more troubling was the prospect that a belligerent neighbor had acquired the tools to disrupt one of the world's most heavily wired nations – and that even more damaging attacks could be in store. "This

was an unprecedented act of cyberterror involving North Korea," said Kim Young-dae, a senior South Korean prosecutor in charge of the investigation. "They are doing massive damage with simple means," said Georg Wicherski, a researcher with U.S.-based McAfee Labs, who analyzed the attack. "This is Cyberwarfare 101." Although North Korea has only rudimentary cyberattack skills, its growing expertise means it could someday target the South's military networks, potentially endangering the secrets of close allies, including the United States, U.S. officials and experts say. South Korean investigators said they determined that 10 servers used in the bank incident were the same ones used in previous cyberattack operations against South Korea, including one in 2009 and another in March, that they blamed on the North. Investigators say they determined, for instance, that a "command and control" server used in the 2009 operation was registered to a North Korean government agency operating in China. Investigators say the April bank attack occurred when a contractor inadvertently downloaded a malicious program onto a laptop computer, giving hackers the ability to control the computer remotely. Then, over a period of weeks or months, the hackers placed malicious code throughout the bank's network, which allowed them – with the equivalent of a squeeze on a cyber-trigger – to make hundreds of servers crash at once. North Korea has denied any role in the attack, saying in a statement carried by KCNA that the South was "clinging to confrontation with its compatriots through crudely fabricated schemes." Richard A. Clarke, a former White House cybersecurity and counterterrorism official who co-authored the 2010 book "Cyber War," said North Korea, though much less sophisticated in its cyberwarfare ability than China and some other nations, could someday target the United States. "While a cyberattack on the United States seems like an irrational act for any nation state, North Korea regularly does things that seem like irrational acts," he said. South Korea blamed agents from the North for a "denial of service" operation July 4, 2009, that blocked access to at least 35 South Korean and U.S. government Web sites. In the incident, an army of zombie computers repeatedly accessed the sites, overwhelming servers to the point that they crashed. Commercial Web sites, including *The Washington Post's*, also were affected. In March, 29 South Korean government and corporate Web sites – including ones for the president and the Defense Ministry – crashed in another denial-of-service assault. Again, South Korea blamed North Korea. The incident lasted 10 days, and it involved more than 100,000 zombie computers whose users had unknowingly downloaded malicious software. The software in the zombie computers was programmed to self-destruct on the final day, crippling the operating systems of hundreds of computers. Dmitri Alperovitch, vice president of threat research for McAfee Labs, which examined the incident, said North Korea may have been trying to probe South Korea's ability to respond to such an assault. South Korean prosecutors said the April bank attack – which was more sophisticated than the denial-of-service operations because it required penetration of secure systems and deletion of data to disable servers – was staged from China, a common tactic because it allows North Korean hackers to avoid leaving a digital trail back to their nation. "The bank attack was like shelling an island to create terror without attacking a high-value military target," said McAfee's Wicherski, in a reference to North Korea's artillery attack on South Korea's Yeonpyeong island in November. Philip Kim, the chief executive and president of AhnLab, South Korea's largest cybersecurity firm, said, "These days, the big pieces of South Korean society are all connected, and it's very difficult to know

which boundaries you have to protect. It's an open war." (Chico Harlan and Ellen Nakashima, "Suspected N. Korean Net Attack Raises Fears," *Washington Post*, August 30, 2011, p. A-1)

8/31/11

In an interview in Pyongyang, Kim Chol Ho, vice director of the North Korean Foreign Ministry's Asian Affairs Department, expressed disappointment with the ruling Democratic Party of Japan's policy toward North Korea, claiming it had been doing too little to improve ties. "The Japanese side should consider how to improve the soured atmosphere between (North) Korea and Japan," he said, urging Tokyo to lift bilateral sanctions imposed on Pyongyang since it carried out a first nuclear test in October 2006. (Hirano Ko, "North Korean Transition tests Noda's Diplomatic Skills," *Kyodo*, December 26, 2011)

9/1/11

South Korea should upgrade its policy on North Korea in a way that balances tough and soft approaches toward its communist neighbor, Park Guen-hye said, elaborating on her article in *Foreign Affairs*. "The objective is the same: peace and prosperity on the Korean Peninsula," she said. "But the difference is that we have to be tougher when we need to be tough, and softer when we need to be soft so as to gain a balance between security and exchanges." In the article, Park suggested that South Korea should adopt a new strategy to build trust with Pyongyang and cooperate with regional powers to find the right mix of "carrots and sticks" to effectively deal with the North's nuclear ambition. On North Korea's two deadly attacks on the South last year, Park said that it is out of the question to overlook the attacks "as if nothing had happened" and stressed that a "meaningful" improvement in inter-Korean relations would be difficult "unless the North takes a measure that is acceptable to the (South Korean) people." But she was vague about whether a North Korean measure constitutes a "precondition" for improving relations. Park voiced opposition to redeploying nuclear weapons to South Korea in case the North conducts another nuclear test, saying that it would not be the "best alternative" and that advancement in technologies made it possible that the location of tactical nuclear weapons does not matter much. "I believe that a nuclear-free Korean Peninsula must be realized (not only for us, but also) for the sake of future generations," she said. Park also said that she does not oppose holding summit talks with the North. She also voiced support for a massive gas pipeline project shipping Siberian gas to South Korea via the North, saying it would contribute greatly to promoting peace and building trust between the two Koreas. (Yonhap, "Leading Presidential Contender Calls for Upgrade of N. Korea Policy," September 1, 2011)

North Korea's No. 2 leader, Kim Yong Nam, urged Japan's incoming Prime Minister Noda Yoshihiko to move to improve bilateral ties, saying it is "up to a new government" to determine the future of relations that he said are key to ensuring peace and stability in Northeast Asia. "It's up to the attitude of the Japanese side, specifically now a new government, to improve (North) Korea-Japan relations," Kim said in an interview with *Kyodo* and three other Japanese news organizations in Pyongyang. (Hirano Ko, "N. Korea Urges Japan to Mend Ties, No Plan to End Uranium Enrichment," September 1, 2011)

China is known to have arranged secret talks between South and North Korean senior officials in Beijing, but less than a week after the meeting, the North shelled the South Korean border island of Yeonpyeong. A source in Beijing said that Kim Deok-ryong, the president of the (South) Korean Council for Reconciliation and Cooperation and special presidential adviser for national integration, and Yu Woo-ik, then South Korean ambassador to China and now slated to take over as South Korea's unification minister, spoke to North Korean Ambassador to China Ji Jae Ryong at Beijing's Diaoyutai State Guesthouse for more than an hour either on November 18 or 19 last year. The inter-Korean contact was organized by the secretary office of Chinese Vice Minister Xi Jinping. For Beijing to arrange such a meeting is considered exceptional. Other Chinese bigwigs including officials from the secretary office attended the inter-Korean talks. (*Chosun Ilbo*, "China Arranged Secret Inter-Korean Talks in November Last Year," September 1, 2011)

9/2/11 IAEA: "The Agency's sampling and analysis of the [Libyan] UF₆ indicated that one small cylinder contained natural uranium and the other depleted uranium; the large cylinder contained natural uranium. The Agency established the route of transport of the UF₆ cylinders, all of which were in the DPRK prior to their transfer to Libya. **Although the Agency cannot confirm the origin of the UF₆ in the cylinders, it is very likely that the natural uranium in the large cylinder originated in the DPRK, whereas the UF₆ contained in the two small cylinders did not. This would indicate that the DPRK has undeclared conversion capabilities prior to 2001.**" (IAEA, Report by the Director General, "Application of Safeguards in the DPRK," GOV/2011/53-GC(55)/24, September 2, 2011)

9/3/11 A North Korean defector was arrested by the National Intelligence Service earlier this month for trying to kill a human rights activist in Seoul who is known for sending anti-North propaganda on giant balloons across the DMZ. The investigation is ongoing and the arrested man will soon be handed over to the Seoul Central Prosecutors' Office. According to intelligence officials, the accused is in his forties and defected from North Korea in the late 1990s. He was arrested on September 3 by NIS officials for breaking the national security law after a poisoned needle and other deadly weapons were found on his person. Park Sang-hak, the activist who was the supposed target of the man's attack, told *JoongAng Ilbo* he first met the defector "sometime in the 1990s" at a meeting with other North Korean defectors. Park is also a North Korean defector. "I hadn't heard from him in five years when he suddenly called me in May," Park said. "I asked him where he had been and he just said, 'Far away.'" The defector asked to meet Park, saying he would introduce someone from Japan who wanted to fund Park's balloon propaganda campaign. Park said the defector cancelled on him twice and was arrested on the third occasion they arranged to meet. On September 3, Park was preparing to go to Sinnonhyeon Station in southern Seoul to meet the defector and two of his acquaintances. When Park asked who the two people were, the defector was elusive and said, "You'll know once you see them." **The NIS warned Park not to attend the rendezvous because he might be attacked.** "I don't know whether the other people were arrested along with him," Park told *JoongAng Ilbo*. Park has been the target of death threats and he is constantly accompanied by police for security. The

North Korean media published threats against the leaders of the propaganda campaign in February and April. (Christine Kim, "NIS Holds Would-Be Assassin of Balloon Activist," *JoongAng Ilbo*, September 17, 2011) A North Korean defector arrested for trying to kill a human rights activist in Seoul was actually a kind of double agent, *JoongAng Ilbo* learned from prosecutors. The defector, identified as a 54-year-old surnamed An, was indicted and detained by prosecutors on an assassination charge October 6. An was arrested September 3 by NIS officials at Sinnonhyeon subway station and found to be carrying a vial of poison and a poison dart gun designed to look like a flashlight. He was waiting to kill Park Sang-hak, a North Korean defector who sends anti-North propaganda on giant balloons across the DMZ. Park and An had met in the 1990s, and An had called Park to arrange a meeting at Sinnonhyeon subway station on Sept. 3. He was allegedly ordered to kill Park by North Korea. National Intelligence Service agents warned Park about the attack and arrested An at the meeting place. But prosecutors told *JoongAng Ilbo* that An had a history of cooperating with the NIS and had even informed it of an earlier assassination attempt he had been ordered to carry out. According to prosecutors, An escaped the North in 1995, and ran a kimchi manufacturing factory in China. The business was not successful and then he worked as an executive of a South Korean company doing trade with North Korea from third countries. In March 2010, An was in Mongolia researching new business opportunities and met a senior official of the North Korean Embassy there. The two met several times and he was introduced to another North Korean official, supposedly named Kim, at the embassy last November. Kim worked for the North Korean agency handling spying activities overseas. After he learning that An had defected to the South after 22 years of military service in the North, he asked An to kill Kim Deok-hong, who defected with Hwang Jang-yop, former secretary of the Workers' Party of the North, in 1997. Hwang was the highest ranking North Korean to ever defect. An returned to the South and reported the assassination order to the NIS. He said he would gather more information for the NIS on additional trips to Mongolia. The NIS warned him that further trips to Mongolia were dangerous, but An returned in March in fear of losing business opportunities. During that trip, An received additional prods from Kim to kill Kim Deok-hong in South Korea. "If you succeed in assassinating him, we will let your mother, who is currently living in a controlled district [with limited freedoms], to move to Pyongyang and live a comfortable life," Kim was quoted as saying by An, prosecutors said. "We will also provide much assistance for your businesses." An agreed, and returned to the South with the intention of killing Kim Deok-hong. He couldn't locate him, however, and the target was changed by his handlers in the North to Park Sang-hak. (Park Jin-seok and Moon Gwang-lip, "North Korea's Assassin Was 'Double Agent,'" *JoongAng Ilbo*, October 7, 2011)

9/9/11

North Korea has "good technical reasons" to carry out at least one more atomic test if it wants to develop a nuclear-armed missile, Stanford University's Siegfried Hecker told a seminar for diplomats in Vienna. Hecker said he believed the isolated state knew how to build a "relatively simple, rudimentary plutonium bomb." But, "I don't believe they could have confidence on the basis of those tests to make one small enough to mount on a missile," Hecker told "So if they want ... to have the confidence that they had one they can mount on a missile, if they want to convince the rest of the world, they would

need at least one other nuclear test." (Fredrik Dahl, "North Korea May Need More Atomic Tests," Reuters, September 9, 2011)

A U.S. military reconnaissance aircraft made an emergency landing during annual South Korea-U.S. military exercises in March when North Korea jammed its GPS device. According to a report the Defense Ministry submitted to Democratic Party lawmaker Ahn Kyu-baek of the National Assembly's Defense Committee, the RC-7B took off from its base at 8:30 p.m. on March 4 but had to make an emergency landing about 45 minutes later due to disruption of its GPS functions by jamming signals transmitted from Haeju and Kaesong in North Korea at intervals of five to 10 minutes that afternoon. The jamming signals also disrupted the GPS devices of coastal patrol boats and speed boats of the South Korean Navy. Several civilian aircraft in the Gimpo area were also affected. (Chosun Ilbo, "N. Korea Jammed U.S. Reconnaissance Plane GPS," September 9, 2011)

9/10/11 North Korea has yet to take meaningful steps to re-start long-stalled six-party talks on its nuclear programs, South Korea's chief nuclear envoy said after a visit to the United States. Wi Sung-lac met with Assistant Secretary of State Kurt Campbell and other senior U.S. officials to discuss the North's nuclear programs during his trip to Washington. "There is no North Korean response yet, and South Korea and the United States are waiting," Wi told Yonhap by phone after arrival at Incheon International Airport. "I confirmed strong U.S. support for the second round of inter-Korean denuclearization talks," Wi said, adding that North Korea has shown no indication that it would go for another meeting with South Korea. (Yonhap, "No Positive Action Yet from N. Korea to Reopen Six-Party Talks: Wi," September 10, 2010)

9/11/11 The South Korean ministry handling relations with North Korea said Sunday it would start producing Internet television and radio broadcasts to try to raise public interest in unification. The unification ministry said an Internet broadcasting channel would begin operating around September 26. The ministry will produce video content, weekly news reports and other material which will be aired on <http://unitv.unikorea.go.kr>, Yonhap reported. (AFP, "S. Korea to Start Broadcasts on Unification with North," September 11, 2011)

9/12/11 Bob Woodward: "A key lesson of the 9/11 decade for presidents and other national security decision makers is the importance of rigorously testing intelligence evidence: poking holes in it, setting out contradictions, figuring out what may have been overlooked or left out. It is essential to distinguish between hard facts and what is an assessment or judgment. The so-called slam-dunk case that Iraq had weapons of mass destruction illustrates the failure. If anyone should have learned this, it is former president George W. Bush and former vice president Dick Cheney. Yet in his new memoir, *In My Time*, Cheney shows he has not fully absorbed that lesson when he writes about the administration's response to the 2007 discovery of a nuclear reactor in Syria that the North Koreans had helped build. In Cheney's telling, the evidence showed "a clandestine nuclear reactor, built by two terrorist-sponsoring states." Given the potential threat, he argued privately to Bush, and later to top national security officials, that the United States should destroy the reactor. In a National Security

Council session that June, he writes, "I again made the case for U.S. military action against the reactor. Not only would it make the region and the world safer, but it would also demonstrate our seriousness with respect to non-proliferation. It would enhance our credibility in that part of the world But I was the lone voice. After I finished, the president asked, 'Does anyone here agree with the vice president?' Not a single hand went up around the room. I had done all I could, and I'm not sure the president's mind would have been changed if the others had agreed with me." He notes with some relish that two months later the Israelis took unilateral action and destroyed the reactor. The clear implication is that Bush and the others had lost their nerve, that they lacked the necessary spine to act as he had recommended. But accounts from others in these meetings, a public briefing and Bush's own memoir present a dramatically different picture of the intelligence on the Syrian reactor. Cheney does not reveal that then-CIA Director Michael V. Hayden had a team working for months to examine the intelligence on the Syrian reactor. Participants at the meetings say that Hayden presented his findings to Bush, Cheney and the others before Cheney made his arguments for a military strike. **According to a principal participant, Hayden made four points, saying: "That's a reactor. I have high confidence. That Syria and North Korea have been cooperating for 10 years on a nuclear reactor program, I have high confidence. North Korea built that reactor? I have medium confidence. On it is part of a nuclear weapons program, I have low confidence."** Hayden emphasized the last sentence to underscore his uncertainty. He later told others that he stuck to the intelligence facts and intentionally shaped his presentation that way to discourage a preemptive strike because the intelligence was weak. **According to the CIA, there was no evidence of plutonium reprocessing capability at the site or nearby** in that region of Syria, though a reactor of that type would be capable of producing plutonium for nuclear weapons. In addition, there was no identifiable means to manufacture uranium fuel. Hayden's declaration of low confidence was, in effect, his anti-slam dunk. On April 24, 2008, two senior U.S. intelligence officials and a senior White House official briefed reporters on the Syrian reactor after extensive testimony to congressional committees on the issue. One of the briefers restated Hayden's conclusions and said there was not much physical evidence the reactor was part of a weapons program, so they had only "low confidence" that it was. His assessment, he said, was that the reactor was planned to be part of a weapons program, but in an apparent reference to the Iraq WMD mistake, the briefer said, "There are lessons learned that are – that came out of previous experience about how to put more rigor into our process. So there's a difference between evidence and an assessment." In his memoir, Bush described the debate about the Syrian reactor, writing that Hayden and the other intelligence experts "had only low confidence of a Syrian nuclear weapons program." "Mike [Hayden]'s report clarified my decision," Bush wrote, adding that he called then-Israeli Prime Minister Ehud Olmert, who wanted the United States to destroy the reactor. Bush says he told Olmert, "I cannot justify an attack on a sovereign nation unless my intelligence agencies stand up and say it's a weapons program." Bush didn't reveal, however, that his vice president wanted a military strike in the face of "low confidence" intelligence that the reactor was part of a nuclear weapons program. Cheney said he wanted the United States to commit an act of war to send a message, demonstrate seriousness and enhance credibility – a frightening prospect given the doubts. Two participants in the key National Security Council meeting in June 2007

said that after Cheney, the "lone voice," made his arguments, Bush rolled his eyes. At the CIA afterward, the group of specialists who had worked for months on the Syrian reactor issue were pleased they had succeeded in avoiding the overreaching so evident in the Iraq WMD case. So they issued a very limited-circulation memorial coin. One side showed a map of Syria with a star at the site of the former reactor. On the other side the coin said, "No core/No war." (Bob Woodward, "In Cheney's Memoirs, It's Clear Iraqi Lessons Didn't Sink In," *Washington Post*, September 12, 2011, p. A-25)

A renowned South Korean orchestra conductor headed to North Korea to discuss cultural exchanges between the two Koreas in what could be another sign of a thaw in inter-Korean relations. Chung Myung-whun, who leads the Seoul Philharmonic Orchestra and doubles as a UNICEF goodwill ambassador, got on a Pyongyang-bound flight at Seowudu Airport in Beijing at 1:20 p.m. (local time) along with two senior Seoul orchestra officials. "I am very pleased to visit North Korea and hope to meet North Korean musicians," Chung told reporters before leaving the airport. "As an individual and a musician, I hope two Koreas could get closer to each other more naturally." (Yonhap, "S. Korean Maestro Leaves for Pyongyang on Music Projects," September 12, 2011)

South Korea said that it is making efforts to resolve the issue of reunions for family members separated six decades ago by the Korean War, urging North Korea to help facilitate them as well. "The family reunions are a issue that must be resolved as a top priority, and the government is pushing to resolve it regardless of political hurdles," Vice Unification Minister Um Jong-sik said during a memorial service for ancestors held by a group of family members separated by the war. (Yonhap, "South Korea Urges Pyongyang to Facilitate Family Reunions," September 12, 2011)

9/14/11 President Lee Myung-bak will make a state visit to the United States for a summit with his U.S. President Barack Obama on October 13, Cheong Wa Dae said. (Kang Hyun-kyung, "Lee, Obama to Hold Summit in October," *Korea Times*, September 14, 2011)

North Korea could hold its first-ever joint military exercise with Russia before the end of this year, *Asahi Shimbun* reported citing an unnamed North Korean source. The Japanese paper said the two countries' navies and air forces will engage in search and rescue training at sea. It is extremely rare for North Korea to stage a joint military drill with another country. North Korean leader Kim Jong-il proposed a full-scale joint military exercise when he met Russian President Dmitry Medvedev last month, but sources say Moscow was reluctant, so the two sides settled on rudimentary search and rescue training exercises instead. (*Chosun Ilbo*, "N. Korea, Russia 'to Hold Joint Military Drills,'" September 14, 2011)

9/16/11 The chief nuclear envoys of South and North Korea will meet again in Beijing next week, a Seoul diplomat said, in what appears to be a fresh sign that efforts to reopen long-stalled six-party denuclearization talks are making progress. Wi Sung-lac of South Korea and Ri Yong-ho of North Korea will meet in the Chinese capital "in the middle of next week," said the diplomat who spoke on the condition of anonymity. "Both sides agreed to hold the second round of talks between chief nuclear negotiators from

South and North Korea in Beijing in the middle of next week," the diplomat said. "We are arranging a specific date for the talks, possibly on Tuesday or Wednesday." (Yonhap, "Nuclear Envoys of Two Koreas to Meet in Beijing Next Week," September 16, 2011)

President Lee Myung-bak has predicted "faster than expected" progress in talks with the North and Russia to build a transnational gas pipeline linking the three nations. Rep. Hong Joon-pyo, chairman of the ruling party in Seoul, has bolstered the view, saying "good news" will come in November. "It is a ridiculous idea," said Michael Green, a senior adviser for the Center for Strategic and International Studies (CSIS) in the United States. "A pipeline project would allow North Korea multiple opportunities to blackmail the South." He said Pyongyang would keep engaging in provocations and create crises to gain political leverage over its southern rival, referring to the ongoing disposal of South Korean-owned assets in a jointly-run resort in Mt. Geumgang in the North and the death of a South Korea tourist shot there by a North Korean soldier in July 2008. The resort has been closed since the incident. Another North Korea expert said the project will surely put a fresh spin on inter-Korean relations, but its impact will be limited. "For the North, the project should be a timely tool to send a signal that it wants to normalize relations. But it's uncertain whether other involved countries will act in a way it intends," the expert in Seoul said on condition of anonymity. "Without concrete actions – such as the shutdown of nuclear facilities or allowing inspections by an international nuclear watchdog – the diplomatic impact of the pipeline project will be limited." Victor D. Cha, another senior advisor for the U.S. think tank, said North Korea's interest in the project is noteworthy, but it is difficult to tell whether this is a tactical decision to show the United States and China that it has other options or whether it represents a strategic shift by the regime to trade this for its nuclear weapons. "I don't think any South Korean government currently and in the future would see the pipeline project as a remedy for its energy needs," Cha said. "The reason is obvious given that the pipeline could be turned off by the North at any time. If it were to happen, the South would basically see it as a form of economic development assistance to the North." He said the project would be a way to entice North Korea with economic assistance on this project, while the South could benefit marginally from the gas. Unlike other experts, Kim Yong-hyun, a North Korea expert at Seoul's Dongguk University, pins high hopes on the project, saying, "It could bring about a fundamental change in South-North relations." "This is an international project, in which Russia is deeply involved. In this framework, it's difficult for the North to abuse it to raise its leverage over the South or the United States," Kim said. "In the long run, the project, if run successfully, will help resolve problems with the resort in Mt. Geumgang." (Park Si-soo, "Will Pipeline Give Fresh Hope?" *Korea Times*, September 16, 2011)

Russia has apparently launched a series of cooperative moves with North Korea following a recent summit between their leaders, including a large debt write-off and planned joint military drills. These appear to be part of a push by Moscow to boost its influence in the region. But how much pull the Kremlin has with its communist neighbor and on the peninsula remains to be seen. On September 14, *Izvestiya* reported that the Kremlin would write off some 90 percent of liabilities Pyongyang

owed before the fall of the Soviet Union in 1991, a total of some \$11 billion. Moscow's finance ministry did not confirm the report but acknowledged that negotiations had resumed after a three-year hiatus, Yonhap reported. Such a move appeared aimed at easing the North's economic woes. On the same day, a British trade publication called *rail.co*, reported Russia would test a railway straddling the border next month. According to the report, the demonstration would extend from border town Khasan to the North's northeastern port city of Rajin. Moscow, which has been renovating the line for three years, eventually wants to use it to ship goods to and from South Korea via Rajin. It would also provide access to the Trans-Siberian railway. The report quoted an official as saying Russia could transport coal on the tracks. The first-ever war maneuvers between the former Cold War allies — a search and rescue naval drill — would be held sometime next year, the Interfax news agency quoted a Russian general as saying, without elaborating. The isolated North rarely stages such drills with other nations. Despite lingering concerns, momentum seems to be gaining on the trilateral pipeline project, which President Lee Myung-bak has said could take shape sooner than expected due to enthusiasm from all sides. Choo Kang-soo, president of the state-run Korea Gas Corp. (KOGAS), was in Moscow yesterday for meetings with officials from gas giant Gazprom. Pyongyang's oil minister was also in Russia, the North's media reported, sparking speculation that the two could meet. (Kim Young-jin, "Russia, N. Korea Forging Closer Ties," *Korea Times*, September 16, 2011)

Chung Myung-whun, who leads the Seoul Philharmonic Orchestra and also serves as a UNICEF goodwill ambassador, said he has forged an agreement with Pyongyang artists to push for joint performances of the two Koreas' symphony orchestras on a regular basis. He returned home yesterday after a four-day trip to North Korea aimed at promoting cultural exchanges and easing tensions. He was accompanied by two senior Seoul orchestra officials. "We agreed to push for regular performances of a joint symphony orchestra of the two Koreas," Chung told reporters. The performances, if realized, will be alternately held in Seoul and Pyongyang, and the orchestra will be composed of the same number of players from each side, he said. The 59-year-old maestro also said he agreed to run a program to cultivate young, up-and-coming North Korean musicians. (Yonhap, "North and South's Symphonies to Make Music," *JoongAng Ilbo*, September 17, 2011)

- 9/17/11 North Korea's chief nuclear envoy arrived in China for talks with his South Korean and Chinese counterparts on how to restart long-stalled negotiations on ending Pyongyang's nuclear weapons programs. (Yonhap, "N. Korean Chief Nuclear Envoy Arrives in China," September 17, 2011)
- 9/?/11 Ferial Ara Saeed and James J. Przystup, *Korean Futures: Challenges to U.S. Diplomacy of North Korean Collapse* (National Defense University, Center for Strategic Research, Institute for National Strategic Studies, September 2011)
- 9/19/11 The number of North Korea's submarine drills in the West Sea in the January-August period has increased 25 times compared to that of 2008,, DP lawmaker Shin Hak-yong revealed in a parliamentary inspection of the Ministry of National Defense. He said that the North conducted 50 submarine drills off the west coast through the end of August

this year, up from two over the first eight months of 2008. "Am I correct that the North carried out only two submarine drills during the same period in 2008, but it soared to five in 2009, 28 in 2010 and 50 this year?" Shin asked Defense Minister Kim Kwan-jin. In reply, Kim confirmed that the figures are correct and added that Seoul should not rule out the possibility of the North's further provocation despite its recent reconciliatory gestures. "For the North, diplomatic issues and military exercises are completely separate matters," the minister said. (Lee Tae-hoon, "N.K. Submarine Drills Rise 25 Times," *Korea Times*, September 19, 2011)

Officials from Seoul and Washington are discussing a revision of restrictions on the range of South Korean missiles, Defense Minister Kim Kwan-jin said. The current missile guidelines restrict the range of South Korean ballistic missiles to 300 km, but Seoul wants them to cover the entire peninsula, according to Kim. He made the remark in answer to an enquiry from Democratic Party lawmaker Park Sang-chun in a National Assembly audit of the Defense Ministry and the Joint Chiefs of Staff. Kim did not specify how much longer Seoul wants the range to be, but a range of some 800 km is needed to cover all of North Korea. This was the first time the defense chief has formally revealed that discussions are underway. Asked whether he wants to extend the range to cover all missile bases in the North, Kim said yes. The missile guidelines were worked out in 1979 and revised in 2001. They limit the range to 300 km and the payload to 500 kg, even though North Korea is developing inter-continental ballistic missiles. (*Chosun Ilbo*, "Seoul Wants Missile Range to Cover Whole Peninsula," September 19, 2011)

9/20/11 The interest on South Korean government bonds issued to fund a failed light-water reactor project in North Korea has snowballed to more than 900 billion won (US\$798 million) over more than a decade, a government report showed. South Korea, which had agreed to shoulder 70 percent of the cost, has issued a total of 5.4 trillion won in government bonds from 1999 until this month to cover a 1.3 trillion won loan and interest from the delayed repayment, the Unification Ministry report said. The accumulated interest is nearly 65.5 percent of the total amount, and it is likely to swell down the road if not paid off soon, the ministry said. "Paying off the loan by issuing government bonds can weigh on the nation's fiscal soundness," said Rep. Hong Jung-wook of the Grand National Party, who released the report. "The government should seek ways to repay the loan, including using the inter-Korea cooperation fund." (Yonhap, "Interest Due on Failed N. Korea Energy Project Loan Close to \$800 Million: Report," September 20, 2011)

9/21/11 Representatives of North and South Korea met, but showed no sign of bridging their differences to resume negotiations on ending Pyongyang's nuclear program after it walked out two years ago. Seoul's main nuclear negotiator Wi Sung-lac and his counterpart Ri Yong Ho both described their rare meeting as constructive after emerging from the private Chang An Club in central Beijing. But although Wi said the contacts would continue, neither side gave any details and Ri appeared to say North Korea would not make any concessions to get the talks going again. North Korea wants the talks to resume immediately without any preconditions. However, South Korea wants North Korea to first demonstrate it is sincere about disarmament and take

responsibility for two deadly attacks on its territory last year. Through this meeting “we ... put forward efforts to return to the six-party talks without preconditions,” Ri told reporters, repeating his country’s stand. Wi expressed the hope that his three-hours talks with Ri would “create conditions for the resumption of the six-party talks. We would like to have more of such discussions.” (Associated Press, “Rival Koreas Resume Contact, But No Closer Yet on Resuming Nuclear Disarmament Talks,” September 21, 2011) In Seoul, the foreign ministry gave an upbeat assessment of Wednesday’s talks, saying they had provided a basis for producing concrete results in the future. “(The envoys) held sufficient and in-depth discussions,” ministry spokesman Cho Byung-jae told reporters during a press briefing. “Our government believes the two sides were able to expand the scope of mutual understanding of each other’s overall position on the nuclear issue, and has come to expect that further dialogue will lead us to reach a point of agreement.” Both Koreas are agreed that such talks should continue, and the Seoul government will strive to produce “concrete results” on the North’s denuclearization through various bilateral and multilateral contacts, he said. (Yonhap, “N. Korea Seeking Further Nuclear Talks Next Month: Official,” September 22, 2011) A senior North Korean official hinted this week that his government could cease its enrichment of uranium if it were supplied a light-water nuclear reactor, the *Asahi Shimbun* reported. North Korean senior nuclear negotiator Ri Yong Ho met with his South Korean equivalent, Wi Sung-lac, in Beijing on Wednesday for discussions aimed at reaching agreement on the circumstances for relaunching the six-party aid-for-denuclearization negotiations. Prior to that meeting, Ri offered some remarks at a closed-door seminar on the status of the six-party talks, according to KCNA. It was not clear from the Japanese newspaper report whether Ri was suggesting in the private forum that uranium work could be halted before or after the six-party talks were relaunched and it secures the sought-after light-water reactor. At the meeting with Wi, Ri reaffirmed Pyongyang’s position that it would return to the multinational nuclear talks only on an unconditional basis. The United States and the South are demanding the North first halt its uranium enrichment work among other things before they will agree to new nuclear talks. Ri’s continued insistence that there be no preconditions is viewed as meaning that the Stalinist state is still loathe to agree to stop enriching uranium as it views the program as a central bargaining chip for extracting concessions. North Korean dictator Kim Jong Il previously said he would consider halting all nuclear weapons production and testing after the six-party talks were reinvigorated. (Global Security Network, “North Korea Seen to Offer Exchange on Uranium Demand,” September 24, 2011)

KCNA: “An international symposium was held in Beijing on Monday [19 September], the 6th anniversary of the September 19 joint statement adopted at the six-party talks. ...[M]any new things were presented in the symposium. Although they had different views on some issues, there was something new. For example, the DPRK’s vice foreign minister, Ri Yong Ho, made it clear that **the country has totally stopped the weapon-grade plutonium production since 2005**. What is another new thing in the symposium is that the DPRK side declared if the six-party talks are resumed, **it will suggest a new comprehensive and package proposal**. The fact goes to prove that the DPRK is fully ready for the resumption of the talks, taking a positive attitude toward

it. ..." (KCNA, "International Symposium on Six-party Talks Viewed Fruitful," September 21, 2011)

A senior White House official said the Barack Obama administration champions "real negotiations" with North Korea on denuclearization despite the communist regime's quirkiness in dialogue. The remarks by National Security Council Asia director Daniel Russel came amid media speculation over when and whether Washington will hold another round of high-level meetings with Pyongyang. "The United States holds the view that real negotiations are necessary to implement both the U.N Security Council resolutions on North Korea's obligations -- international obligations under that -- and the 2005 joint statement, North Korea's commitments under that," he said at a press briefing in New York, Webcast by the Washington Foreign Press Center. He added Washington is looking for "some indication, some seriousness of purpose on North Korea's part" that it is willing to join a "bona fide" negotiating process. Russel would not speak about the results of the Beijing meeting between but he said the meeting itself is a "good thing." "We continue to hold the view that progress in inter-Korean relations is a critical element of making progress on the broader Korean Peninsula issues, including especially the important issue of implementing North Korea's denuclearization commitments," he said. U.S. officials said they put forward a set of initial steps for the North to take and they are waiting for its reply. Informed sources said the U.S. demanded the North agree to allow the return of International Atomic Energy Agency monitors to its nuclear facilities, place a moratorium on missile and nuclear testing and abide by inter-Korean deals in place. (Lee Chi-dong, "'Real Negotiations' with N. Korea Necessary: White House," Yonhap, September 21, 2011)

A total of 27 North Korean entities and five individuals have been targeted under financial sanctions imposed by the United States, including the alleged caretaker of leader Kim Jong-il's secret funds, a South Korean lawmaker said. The five individuals include Kim Tong-myong, head of North Korea's Tanchon Commercial Bank, who is believed to be taking care of leader Kim's secret funds overseas, and Kim Yong-chul, director of the North's Reconnaissance General Bureau who is believed to have masterminded the attack on the Cheonan warship, according to a report released by Rep. Park Joo-sun of the main opposition Democratic Party. Park said he obtained the report from the foreign ministry. Among the North Korean entities listed on the U.S. sanctions blacklist since last November were Korea Taesong Trading, Korea Taesong Bank and Bank of East Land, the report said. (Yonhap, "27 N. Korean Entities, 5 Individuals Targeted by U.S. Sanctions," September 21, 2011)

President Barack Obama warned that North Korea will face "greater pressure and isolation" should it continue nuclear weapons development and hostile actions against South Korea. "North Korea has yet to take concrete steps toward abandoning its weapons, and continues belligerent actions against the South," Obama said in a speech at the opening of the United Nations General Assembly in New York. He stressed, "if they continue down a path that is outside international law, they must be met with greater pressure and isolation. That is what our commitment to peace and security demands."

Obama, however, said North Koreans will see greater opportunity if their government abides by international rules and obligations. (Yonhap, "Obama Warns North Korea of More 'Pressure, Isolation,'" September 21, 2011)

9/22/11

The United States and North Korea are seeking to hold a second round of talks early next month to discuss terms for resuming the long-stalled six-nation negotiations on ending the North's nuclear weapons programs, a South Korean official said. The bilateral talks are expected to follow a series of meetings held between the Koreas' chief nuclear envoys in Beijing on Wednesday. Wi Sung-lac of South Korea and Ri Yong-ho of North Korea said their discussions had been "useful," but they failed to agree on terms for resuming the six-party talks that were last held in December 2008, according to South Korean officials. "North Korea is pushing to hold the next round of bilateral talks with the U.S. in Pyongyang, but Washington is strongly against it," said one senior South Korean official, who spoke on the condition of anonymity. "Currently, the two sides are discussing the possibility of meeting in a third country." Possible meeting places include Singapore, Berlin and Geneva, the official said. "In the future, (we) hope to establish this system of holding inter-Korean talks and U.S.-North Korea talks in parallel sessions," the official said, saying that a third round of talks between the Koreas is also being discussed. "We proposed continuing this process of inter-Korean denuclearization talks, and the North Korean delegation did not object." (Yonhap, "N. Korea Seeking Further Nuclear Talks Next Month: Official," September 22, 2011)

Peter Hayes and Scott Bruce: "North Korea's KCNA news often threatens to launch "unprecedented nuclear strikes." **In reality, the North Korean nuclear program has limited offensive capability.** Just how limited is a matter of dispute between well informed observers and analysts. South Korea's Defense Minister Kim Kwan-jin, for example noted recently that it was "possible" that North Korea had miniaturized a nuclear warhead as there had been, in his opinion, "enough time for them to have succeeded in miniaturization." He based his statement on how long it took other states to miniaturize a nuclear warhead, not on an assessment of North Korea's actual nuclear capability. Thus, in the absence of data, North Korea is attributed with capacities that it may—or may not—have. Additionally, even if North Korea has miniaturized a nuclear warhead from a big, heavy and crude nuclear explosive device, the DPRK lacks an effective delivery mechanism and therefore has a limited ability to offensively use nuclear weapons. We assess that the North is capable of operationally using nuclear weapons, but its options for a nuclear strike are severely constrained. **We conclude that the only credible use of the DPRK's nuclear arsenal is to detonate a bomb within North Korea itself to slow down or to stop an invasion in the context of an all-out war.** Aside from this nuclear-use scenario, conventional weapons predominate in realistic evaluations of deterrence and war-fighting in the Korean Peninsula. **The stated purpose of the North Korean nuclear program has changed over the last decade. North Korean statements that once described the nuclear program as a tool to secure the state against outside aggression, now describe it as a stabilizing force in the region.** During and after the collapse of the Agreed Framework in 2002, KCNA statements described the nuclear program as a substitute for a security guarantee from the United States. If North Korea's security concerns were

addressed, they argued, there would be no need for the nuclear program. An October 2002 statement is particularly telling: "The settlement of all problems with the DPRK, a small country, should be based on removing any threat to its sovereignty and right to existence. There may be negotiations or the use of deterrent force to be consistent with this basis, but the DPRK wants the former, as far as possible." **By 2005 this language had changed. North Korea declared itself to be in possession of nuclear weapons and began to depict its nuclear program as a regional stabilizer which prevented war by countering the US nuclear threat to the region.** KCNA statements even suggested that North Korea's nuclear program benefitted South Korea by raising a nuclear umbrella over the entire Korean Peninsula! **By 2010 North Korea had not only openly threatened to use its nuclear weapons for the first time, but made the first real declaratory statement of its nuclear posture** in response to the US nuclear posture review: "The mission of the nuclear forces of the DPRK is to deter and repel aggression and attack against the country and the nation until the denuclearization of the Korean peninsula and the world is realized. The DPRK is invariably maintaining the policy not to use nuclear weapons against non-nuclear states or threaten them with nuclear weapons as long as they do not join the act of invading or attacking us in conspiracy with nuclear weapons states." Although these statements should be taken very seriously, particularly by South Korea and Japan who are implicated in both via their alliance with the United States, we should not assume that North Korea has the operational military capability to back up this declaratory posture and the stated nuclear threats. When it comes to nuclear threats against the United States, South Korea, and Japan, North Korea vastly overstates its ability to strike. **North Korea is estimated to have enough fissile material to produce between five and ten nuclear weapons, depending on the size of the bombs, and the state's efficiency in creating and reprocessing plutonium, and the amount used in its two tests to date. This means that the use of a single nuclear weapon would exhaust 10-20 percent of the DPRK's nuclear arsenal.** At this time, the DPRK has not resumed operations of the Yongbyon nuclear facility and is not producing additional plutonium. North Korea's uranium enrichment program, revealed late last year, could be used to enrich uranium for a bomb, but is currently producing low enriched uranium to fuel its under-construction pilot light water reactor—assuming that its declared intention to complete and operate such a reactor is implemented as announced. The limited supply of fissile material means that North must deploy its nuclear weapons in a highly strategic manner and only for the most valuable, most certain returns. **North Korea lacks a credible delivery option for its nuclear weapons.** North Korean attempts to launch satellites on booster rockets in 1998, 2006, and 2009 used much the same technology needed to launch long-range missiles. All three tests failed. It takes the United States scores of tests to ensure that a new missile design works, and may be deployed with sufficient confidence that it is operationally effective. North Korea needs many more tests of all the systems, independently and together, at a much higher rate than one every few years, to be confident that its missiles would not fail on the ground or in the boost phase, let alone even approach a target with sufficient accuracy to destroy it. In short, the North Korea's long range missile program is not a credible threat to the United States or anyone else for that matter, and is unlikely to be one for some time. **Short and medium-range missiles have been tested but are not accurate enough to effectively target enemy forces**

in a combat scenario. The DPRK's medium-range No-dong missiles cannot be counted on to hit a set target. Similarly the DPRK's short range SCUD missiles are highly inaccurate, particularly the mobile SCUD C models with an unreliable guidance system. The SCUD B missiles have only a 50 percent chance of landing within 1 km of their intended target, making them unsuitable for attacking military units. The unreliability of North Korea's missile systems, the limited amount of fissile material, the lack of testing of the components of an integrated nuclear warhead and missile system, and the severity of any response to nuclear next-use by North Korea means that a DPRK leader is highly unlikely to rely on missiles to deliver a nuclear attack with a combined very small probability of success. North Korea has only a few bombers capable of delivering a large, crude nuclear weapon to a target. The only nuclear-capable bombers in North Korea's arsenal are the Ilyushin Il- 28 "Beagle" and the Chinese H-5 variants. The Beagle was retired by the Soviets in the 1980s, but still is in active use in North Korea. Although the Beagle is technically capable of delivering a nuclear weapon, it is hard to imagine a North Korean bomber not being shot down before it reached its intended target. In a war, a North Korea bomber flying toward the DMZ would be targeted and shot down rapidly by ROK anti-aircraft weapons. Even a bolt-out-of-the-blue surprise attack is not a credible scenario due to the Il-28's slow speed and low maximum altitude. North Korea is highly unlikely to risk its limited stock of fissile material by putting it in a plane with almost no chance of actually delivering the bomb to the target. Delivery of a nuclear weapon by sea is a far more credible alternative than any of North Korea's air-based delivery options, but still not likely. North Korea has a variety of small boats and midget submarines capable of carrying a nuclear device to a port city in South Korea or Japan. The tactical value of a bomb deployed by boat would be a surprise attack against a port city or a military installation. The primary risks of this strategy are the possible detection. The longer the boat is deployed the greater this risk would be, especially in war or near-war time. That said, the government in South Korea is well acquainted with North Korean attempts to infiltrate its coastal waters via mini subs. Its ability to detect these intrusions has increased significantly, particularly since the *Cheonan* incident last year. The DPRK government would be very hesitant to adopt this strategy for fear of losing control of fissile material. If the mother ship or a submarine were captured or sunk or the crew defected, the North would lose a significant part of its nuclear arsenal. Furthermore, given the risk of disruption or interception of communications, Kim Jong-il would have to delegate authority to use the weapon to the crew of the submarine, something that the North would be unlikely to do given the consequences to the regime if the vessel was intercepted. Given that any attempted attack, successful or not, would result in immediate and overwhelming retaliation against North Korea, its leaders are highly unlikely to take this risk using a delivery system with little to no chance of hitting its target. North Korea has limited fissile material, a weak and untested missile program, slow and easily detectable bombers, and a limited, but high risk, ability to deliver a weapon via boat. North Korea risking a 100% chance of overwhelming retaliation for a very small chance of a limited success (after all, even a successful North Korean nuclear surprise attack would not destroy the entire US or ROK military), is not credible. We conclude that North Korea is highly unlikely to use its nuclear arsenal to attack a foreign target. With no feasible delivery mechanisms for external attacks, North Korea's nuclear arsenal is primarily useful militarily, if at all, for the direct territorial defense of

the state. The weapons could be deployed within the DPRK (under an invasion corridor or near an air or sea landing site) in order to slow or block an invasion. These weapons would have to be deployed well in advance of any such attack, probably by trucks which could be camouflaged easily, and buried in the ground or stored in tunnels below the invasion corridors. This strategy would involve the risk of losing direct control of the weapons should war break out. It would also entail maintenance of those weapons after they were deployed to ensure that they will fire when needed, raising the risk of early identification. One of the problems with this strategy is that US and ROK war planners may have concluded that these will be the most likely places for deployment of a nuclear bomb and compensated for the risk of nuclear attack by plotting alternate invasion routes. Additionally, given that these weapons will be buried in or stored under the ground, it will take more than one to adequately defend a mountainous invasion corridor. In fact, it may take scores of weapons—more than the DPRK can hope to deploy for this task. These weapons would be very difficult to re-deploy in wartime on surface transport given the risk of air-attack. With a limited number of nuclear weapons, the DPRK may not have an arsenal adequate to pre-deploy bombs at all invasion corridors and air and sea landing zones. Such an attack is more attractive than an attack delivered on an external target. In particular, attempted but failed use will not instantly invoke retaliation, especially if fired as a warning shot in a pre-war period of crisis. North Korea has the capacity to deploy a defensive nuclear force. If the only realistic deployment of a North Korea nuclear weapon would be in or under an invasion corridor, the most realistic scenario for nuclear next use on the Korean peninsula would be in response to an attack or the imminent threat of an attack. This nuclear next-use could have one of two purposes. First, nuclear weapons could be used before an attack by US and ROK forces to send a warning of the severity of the situation to the US and South Korea in order to stall or stop a war from starting or escalating further. Second, North Korea could use nuclear weapons to directly assault US or ROK forces during an actual invasion of the DPRK. In the first scenario, North Korea would effectively blow up a small piece of itself to indicate that any attack will involve a nuclear response, if not exchange, to delay the invasion or provoke a diplomatic response to reduce tensions. Fallout created by the nuclear blast would (depending on season) likely blow onto South Korea. Responding to the possible threat of resulting radiation to troops and civilians downwind from the blasts would evoke a firm and likely massive response by the US and the ROK. Furthermore, with better access to iodine tablets, superior equipment and training for combat under conditions of radiological and chemical threat, US and ROK forces would have a significant tactical advantage over the North Korean forces after a nuclear blast. The second scenario would involve a direct North Korean assault against the combined forces of the ROK and US militaries in an attempted breakthrough of defensive forces. In what could become a fluid battlefield no longer defined by the Military Demarcation Line established by the Armistice, the North could attempt to lure or channel countervailing US and ROK forces into attack corridors and narrow defiles north of the DMZ where the DPRK might have a tactical advantage. However, sealing these corridors would require the use of more than one pre-emplaced nuclear weapon and the DPRK would quickly exhaust its arsenal. This strategy would have a higher risk of US or ROK forces seizing the nuclear weapons if the DPRK waited too long to detonate them, or lost communications and control over them. Even if such

detonations were successful in a tactical sense, such an attack would guarantee the demise of the North Korean state, not deter or defeat the invaders. North Korean forces, even augmented by nuclear capabilities, are outmatched by US and ROK forces. North Korean use of nuclear weapons would ensure that the US and ROK dismantled the DPRK with conventional forces to demonstrate to future proliferators the consequences of using nuclear weapons, and to avoid further radiological havoc in Korea itself... Overall, therefore, all nuclear-armed parties to the Korean conflict are constrained in their options to use nuclear weapons. In our view, this is a good thing, but the situation is inherently unstable, and constantly tilts towards pre-emption. Admittedly, as Patrick Morgan points out, the fact that nuclear attack by either North Korea or the United States is of limited credibility, implies that there should not be reason for great concern on either side—and the less credible the weapons and their delivery systems, the more secure North Korea and the United States should be with respect to each other. Conversely, there are many more pathways to using nuclear weapons than can be imagined in advance of attempts to actually use them, and their existence poses the threat that a creative pathway will be found that overcomes the constraints outlined above—either by evading the constraints in an “asymmetrical” manner in the case of North Korea, or by risk-taking and the application of raw power by the United States (in overruling the veto of the other nuclear weapons states that it would likely face in attacking North Korea with nuclear weapons in most conceivable circumstances). In this regard, nuclear weapons are the ultimate “threat devices.” Their mere existence presents an existential threat that must be attended to by those who fall under the shadow of the threat of nuclear attack. The perception of threat derives from the combination of intention, either immediate or general, with more or less credible capacity to deliver actual attacks. Thus, the very massiveness of nuclear attack, even “small” nuclear attacks, reduces their relevance to real-world deterrence. But intention also matters, and one indicator of intention is doctrine and statements of intention. Whilst the North Korean threat statements are outrageous and hyperbolic with respect to their relative and actual capacity to act on their threats, they strike fear into the minds of the populations and leaders of states that are the subject of such threats, that is, they are psychologically potent. US threats, while more clinical in nature in the language used, are just as potent, because they are backed up by far more capable technologies, and the US leadership descends from the only nuclear weapons state to have ever used nuclear weapons against human targets, lending a certain edge to perceptions of US credibility. On the ground, in a military, operational sense, and in spite of virulent nuclear threats issued by the DPRK and a countervailing nuclear threat from the United States in the form of extended nuclear deterrence, conventional forces are the key to stability on the Korean peninsula and will remain so for the foreseeable future. If conventional forces are the basis of military deterrence in Korea, and if nuclear forces on both sides of the DMZ are primarily psychological weapons, then US and ROK policy would be best served by reducing the nuclear threat in the region. Calls in the ROK for US tactical nuclear weapons to be redeployed or for an independent nuclear arsenal are especially unhelpful. De-emphasizing nuclear deterrence—something the North Koreans have requested in negotiations over their nuclear program—might open the door for engagement with North Korea to roll back its nuclear program. At this stage, North Korea’s outrageous nuclear threats against targets outside its borders are not backed up by actual capabilities. Countering the

North's rhetorical threat with more nuclear extended deterrence raises tensions instead of addressing the underlying problem of nuclear insecurity. Ultimately, the only way forward is to re-engage the North, and identify pathways that create confidence and reduce the mutual perception of the threat of massive destruction, whether by conventional or nuclear weapons." (Peter Hayes and Scott Bruce, "Unprecedented Nuclear Strikes of the Invincible Army: A Realistic Assessment of North Korea's Operational Nuclear Capability," NAPSnet, September 22, 2011)

9/23/11 Chinese authorities detained a group of South Korean journalists and others for a fourth day on suspicion of spying while on a reporting trip near China's border with North Korea, officials in Seoul said. *Chosun Ilbo* first reported the detentions today, saying that four journalists from *JoongAng Ilbo*, a researcher and a guide were taken into custody Tuesday in a military restricted zone near the Tumen River that marks the border. Three South Korean Foreign Ministry officials confirmed that JoongAng Ilbo reporters were detained near the river, and said they were being held at a hotel. But they disputed parts of the *Chosun Ilbo* account, saying five people, not six, were detained, and they would not confirm the number of journalists nor whether they were caught inside a restricted military zone. (Sam Kim, "S. Korean Reports Detained by China near N. Korea," Associated Press, September 23, 2011)

9/25/11 Prime Minister Choe Yong Rim is meeting with top Chinese officials including President Hu Jintao and Premier Wen Jiabao for discussions expected to focus on revitalizing the North's moribund economy. (Associated Press, "North Korean Prime Minister in China on Visit Emphasizing Economic Ties," September 25, 2011)

9/26/11 Peter Hayes and Moon Chung-in: "Declassified CIA papers cast new light on South Korea's attempt to develop nuclear weapons in the 1970s and show that the program continued for at least two years after the US thought it had ended. With some in South Korea again discussing a nuclear option, Peter Hayes and Chung-in Moon find lessons for today. In recent years, many previously classified US diplomatic cables have been released relating to nuclear proliferation in South Korea during the later years of the Park Chung Hee era in the 1970s. They paint a more complete picture of the nation's attempts to develop nuclear weapons than was previously known, especially in the period between 1976 and 1978. In light of current discussions in South Korea about developing nuclear weapons, it is important to look back and realize that Park's aggressive nuclear behavior was largely triggered by eroding or ambiguous security assurances from Washington, especially the end of the Vietnam War and President Jimmy Carter's decision to withdraw key American forces in South Korea, including tactical nuclear weapons. The uncertainty of the period left Park wanting the country to have its own nuclear deterrent. Declassified US State Department cables are the foundation of an important study published in 2011 by Sung Gul Hong on Park's attempts to make a nuclear weapon, including in the post-1975 period when the United States threatened to rupture the security alliance if the Republic of Korea (ROK) proceeded down this path. But, as Hong concluded, far from making South Korea more secure, Park's toying with the nuclear option made him an unpredictable and even dangerous client who needed restraint in US policy-makers' eyes. *Global Asia* has studied a recently declassified set of documents posted by the CIA that provides

important new information on Park's efforts, and on the US response. The documents show that considerably greater proliferation of missiles and fissile materials and related technology was going on even after 1976 and up to 1978 than was previously known. Most accounts have the proliferation activity ending in 1976. The most important of the CIA documents is South Korea: Nuclear Developments and Strategic Decisionmaking (sic), issued in June 1978 and released in 2005 under a routine 25-year declassification program. The document has languished largely unnoticed on the Web since it was released, so in this essay, we review the insights provided by the report. Given the public debate in Seoul about nuclear weapons, we believe that there are lessons to be learned from Park's failed proliferation strategy. It was a misguided effort but it was triggered by real security concerns. What mattered then, and what matters today, is the ability of South Korea and the United States to respond to North Korean military aggression. In that light, the North Koreans know they would lose a military confrontation, but nothing could justify North Korean nuclear weapons more than South Korea reactivating its nuclear weapons program. South Korea paid a high price for Park's nuclear program. We see no reason to repeat this history. In late 1974, Park - a former army general who took power in 1961 and ruled the ROK until his death in 1979 - authorized a program to develop nuclear weapons technology. In January 1976, he ended negotiations with France to obtain reprocessing technology, and by December 1976 he suspended the nuclear weapons program under immense pressure from the United States. What is less well known, though, is the proliferation activity that continued after 1976, partly in response to the withdrawal of US nuclear weapons included in the pullout of the 2nd Infantry Division, Hong has shown. With Park fearing that the United States would abandon South Korea after the Vietnam War, despite the ROK having sent troops to that conflict, North Korean aggression seemed particularly menacing. A commando raid on the Blue House in January 1968, followed three days later by the seizure of the USS Pueblo, created a climate of fear. In addition, Nixon and Kissinger's opening to China without prior consultation with South Korea left Park wondering if Washington would also open a channel to the North behind the South's back. North Korean infiltration tunnels were discovered under the DMZ in 1974-75, and Park also witnessed the murder of his wife by a pro-North Korean assassin in 1974. Another key factor was the unilateral withdrawal of the US 7th Infantry Division in 1971, and on-going discussion of further withdrawals. American politicians and journalists also increased their criticism of Park's dictatorial regime after he institutionalized his rule. His sense of abandonment by the United States was acute. South Korea's confidence in the US declined still further after Jan. 26, 1977, when incoming President Jimmy Carter ordered the withdrawal of nuclear weapons from the ROK along with the 2nd infantry division. South Korean nuclear researchers believed that "while bowing to US preferences on the line of work they pursue, certain activities can and should be undertaken to keep Seoul's nuclear option open," the report said. A program was undertaken to acquire a missile that could threaten Pyongyang, while long-term nuclear fuel cycle technology was sought to keep the bomb option open. In the 1978 report, the CIA found: • "No evidence that any nuclear weapons design work is under way at present. • "No evidence that the South Koreans are trying to acquire a uranium enrichment capability. • "No evidence of any current activity related to the acquisition of a reprocessing capability. • "No evidence of stockpiling of fissile material. • "No evidence of work on weapons fabrication." But, the CIA concluded,

South Koreans were facing decisions in the 1978-80 period that could affect the lead time to acquire nuclear weapons later. "Among the decisions that are likely to arise are those concerning whether or not to assemble a prototype and then produce in quantity a surface-to-surface missile, and what to do with the substantial investment Korea has in nuclear research personnel." Overall, the report argued, the most important factor would be South Korea's "perception of the reliability of the US security commitment and, conversely, the imminence of the North Korean threat." It is worth noting here that the CIA's relatively relaxed interpretation of Park's nuclear program in 1978 is contrary to the widespread rumor in South Korea that the CIA might have orchestrated his assassination on Oct. 26, 1979, in order to stop his nuclear ambitions. The missile program (called Baekgom, or White Bear) was initiated on May 14, 1974, at Park's instruction. By 1975, a dedicated nuclear weapons program had emerged, code-named Project 890, the CIA report says, with three teams working on missile design, nuclear and chemical warheads under the Agency for Defense Development (ADD). Korean scientists recruited from abroad by mid-1975 were working on warheads, high explosives fabrication, and computer codes. The warhead design effort involved about fifty scientists and technicians; the chemical warhead team was smaller, but by mid-1976, the missile team numbered more than 250. "This focus on missile systems," the CIA noted, "implies an interest in acquiring a number of nuclear devices," although exactly which type was not clear to it. Moreover, "It is clear that Seoul has not addressed the question of physical and chain-of-command control of nuclear weapons," the report said. By December 1976, the ADD completed its missile research and development site, Hong wrote, where work focused on modifying the US Nike-Hercules missile as a surface-to-surface weapon. Even without modification, the CIA added, it could already hit Pyongyang. South Korean modifications aimed to extend its reach to hit command centers and equipment within a 350 km range. Not surprisingly, the attempts to obtain American missile technology met with strong American opposition in 1975 and 1976, which forced the ADD to agree to limit the range of the missiles to 180 km and the warhead to 440 kg. As of May 1976, an initial design was nearly complete. The CIA was able to obtain detailed technical parameters for the ADD's research: "The rocket motors, airframe, control system, and onboard guidance system would be dramatically upgraded or entirely redesigned," the CIA report said. "Using French assistance for both propellant and production technology, the ADD succeeded in casting a reduced-scale motor." ADD also circumvented US opposition to its acquisition of a Lockheed propellant plant from California by buying the manufacturing technology from a French company. The ADD decided not to modify the standard Nike-Hercules tracking radar with technology obtained from US firms because the ADD viewed it as running "too high a risk of exposing the program," the report notes. Instead, it opted for the "use of solid-state electronics rather than the vacuum-tube technology of the standard Nike-Hercules." By December 1976, the ADD had not produced a prototype missile when the program was suspended, and it remained in suspension until September 1977 when it received a green light to proceed anew. By 1974, South Korea also had undertaken a massive nuclear power program and had already moved toward advanced fuel fabrication and reprocessing facilities that entailed separating enough plutonium for about one weapon per year. South Korea attempted to buy pilot reprocessing plants from Belgium, but the United States and Canada pushed the Korea Atomic Energy Research Institute (KAERI) to drop

those plans. The United States was particularly concerned about KAERI's negotiations to buy a Canadian NRX heavy water research reactor that would provide a pathway to plutonium. In 1975, KAERI negotiated a loan with Belgium to purchase a small mixed (plutonium-uranium) nuclear fabrication facility. "The Belgian facility would have given Korea the last key of the back end of the nuclear fuel cycle," the report said. The plans foundered when Canada suspended its talks about supplying the NRX to South Korea - this being the same reactor from which India had recently diverted plutonium for its 1974 nuclear test. Both the United States and Canada then used their financing leverage over nuclear power plants on order to force KAERI to drop its plans for both reprocessing and for a mixed oxide research plants. "Planners at the Blue House," stated the CIA, "viewed [these facilities] as a necessary component of a covert program within the military to develop a nuclear weapons capability." Park suspended this effort in December 1976 after strong US diplomatic intervention. But, noted the CIA, "His willingness to suspend 890 was strongly conditioned by the poor performance of the ADD ... and by the lack of any immediate need for nuclear weapons development." Park's willingness was due primarily to demonstrations of American resolve in 1975 and 1976. US Defense Secretary James Schlesinger met with Park on Aug. 27, 1975, at which time the two men agreed that whatever might be said publicly about nuclear weapons to reinforce morale, in fact Seoul was more vulnerable to nuclear attack than Pyongyang, and US-ROK forces could "cope with a North Korean attack without the use of nuclear weapons." Park also may have been impressed by the US response to the attack by North Koreans at Panmunjom on Aug. 18, 1976, in which two American soldiers were killed. US and ROK troops were put on high alert, an armada of warships was sent off North Korea's coast and B-52 bombers were sent daily on practice bombing runs. The impact of this event, combined with the US threat to cut off support for South Korea's nuclear power program, prompted Park to end Project 890 two years after it began, according to an internal State Department document. The CIA report also cast new light on the internal dynamics of Park's nuclear weapons program. Although cabinet-level discussions of a nuclear weapons program began as early as 1969, a decision to proceed was made solely by Park in late 1974 based on a non-specific briefing. Disturbingly, the CIA noted, the policy planning for the nuclear weapons program "was erratic, even haphazard." "A written study assessing the pros and cons of developing, deploying and using nuclear weapons was not, and still has not, been produced," reported the CIA. This was compounded by a tendency of Korean research and development agencies in general to overreach. Consequently, these agencies were "operating essentially as unguided rockets." The ADD in particular, they noted, "intentionally exaggerated its own capabilities and depreciated the difficulty of organizing sophisticated programs" in order to maximize its budget allocation. Only when Project 890 was cancelled did Park transfer responsibility for overhauling the nuclear programs to the Blue House, the CIA said. The Senior Secretary in charge of the heavy-chemical and defense industry, O Won-chol, attempted to rationalize the nuclear research process via a Cabinet review, thereby reducing the independence of the nuclear research institutes. These institutes were aware of the political risks that their activities posed to South Korea, but tried to manage these risks by arguing that they were only hedging against an uncertain future. Blue House staffers compared South Korea with Israel, noting that US military aid flowed in the midst of suspicions that Israel was developing nuclear weapons.

According to the CIA report, these officials believed "that the United States - while opposing short-term weapons work in Korea - would eventually recognize and tolerate Korea's need to have an independent nuclear capability." Only in late 1975, the CIA stated, did an informal group of Korean officials who had previously passively accepted the nuclear weapons program emerge as bureaucratic foes. The clinching argument was the threat to the alliance with the United States. However, the CIA's portrayal of an emerging set of opponents may not be correct. Others have argued that rather than resisting, these officials may have been protecting the missile and nuclear activities from challenge by other actors. On this score history remains murky. Jimmy Carter's election confirmed Park's worst fears of a precipitous withdrawal of US ground forces and nuclear weapons from Korea. Indeed, within a week of taking office, Carter ordered that a plan be developed to withdraw US nuclear weapons,¹⁰ even before a formal review was initiated on Jan. 29, 1977, including consideration of "ROK nuclear intentions and efforts to acquire advanced missile technology." The government-controlled South Korean media soon began discussing a nuclear option starting in May 1977. The CIA characterized the propaganda offensive in a separate report as "designed to reassure South Koreans that the Park government was taking all steps needed to ensure security against the North, and also to pressure the United States to rethink its withdrawal plans." The agency concluded that there was no evidence that the ROK government was actually debating acquiring nuclear weapons, nor were there any signs of new research and development to support such a clandestine program. By August 1977, US officials had serious misgivings about the impact of withdrawing nuclear weapons from Korea. A CIA memorandum that August, entitled *The Implications of Withdrawing Nuclear Weapons From Korea*, suggested that removing US nuclear weapons was in accord with the North's strategic goals, but its leaders would still know that the United States could deliver them at any moment or reintroduce them to the Peninsula itself. South Korea, however, got a different message. "Seoul will read the total withdrawal of nuclear weapons as evidence of US intent to forego their use in a future conflict." The memo described how a sharp rupture in the alliance could threaten arms sales from the United States, could worsen trade relations, and could even accelerate the rate of US withdrawal and lead to the resumption of Park's nuclear weapons program. "The withdrawal of all US nuclear weapons," it concluded, "will clearly strengthen Park's determination to move toward military self-reliance." The Carter Administration withdrew 1,000 American troops in September 1977 and another 500 in November 1978, before he reversed the withdrawal policy in 1979. As of June 1978, by the time the Strategic Decisionmaking report was published, the ADD nuclear weapons designers had been redirected from Project 890 to high explosives and chemical warfare work. Of course, the line between nuclear and non-nuclear remained problematic because, as the CIA analysts explained, "an established high-explosives capability would also be advantageous to Korea if a nuclear weapons program were resumed." For their part, the missile engineers were back at work by September 1977 when the ADD was given the go-ahead to resume work on extending the range of the modified Nike-Hercules. As of June 1978, the CIA reported that the ADD's missile researchers were distributed across three of the six directorates of its Advanced Weapons Center at Taejon. The ADD began to test-fire the modified Nike-Hercules in April 1978 "to demonstrate - or give the illusion of - its ability to develop a long-range surface-to-surface missile," the

analysts wrote, and thereby win Park's approval for a missile with a 3,500 km range to be available by about 1985. The CIA analysts admitted that they had no specific information on the type of nuclear warhead that ADD might develop for such a missile. "Refinement in weapons design requires extensive testing of high explosives at a site that consists of a firing pad and bunker, along with elaborate instrumentation, for example, ultra high-speed cameras, flash X-ray systems, and oscilloscopes. Seoul has acquired some of this instrumentation, but we are not certain where the equipment is installed." The CIA analysts inferred that the size and type of nuclear warhead would be strongly influenced by the missile. They anticipated that a South Korean warhead would be limited to a nuclear implosion system of 300-350 kilograms. They believed that South Korea could meet the constraints with a "simple conservative design" with a yield from a few to up to twenty kilotons. According to the CIA, Park had not decided to actually build bombs in late 1974, only to acquire the capacity to do so as a "precautionary measure carrying a tolerable level of risk." Similarly, in spite of the Carter attempt to withdraw US nuclear weapons from Korea in 1977-78, they found "there is no perception of immediate needs or opportunities for acquiring nuclear weapons." The CIA recognized that by 1978, South Korea was heavily invested in light water reactors, largely financed by the US Eximbank. They noted that spent fuel from these reactors was an easier, faster route to obtaining fissile material than uranium enrichment. This was because until 1974, it was perfectly legal to stockpile reprocessed plutonium, provided the International Atomic Energy Agency safeguarded supplies. By 1978 the only way to get a reprocessing plant was to build one, and the United States had already blocked supplier nations from providing such plants to Korea. The American low-enriched and Canadian natural uranium that ended up as spent fuel in Korea after the fission process in earlier reactors also was subject to US and Canadian vetoes against it being reprocessed. Moreover, whether taken from a light water or a heavy water reactor, diverting even a few assemblies ran a high risk of detection, the CIA concluded. As the CIA observed: "Planners at KAERI in the early 1970s recognized the importance of reprocessing to a nuclear weapons program, but they were primarily interested in reprocessing as it related to long-term nuclear power development." Still, even in 1978, many Korean planners believed that not only was South Korea obliged to assume more responsibility for its own defense, but "that such 'self defense' may eventually require nuclear weapons development," the CIA concluded. Furthermore, the agency said, on-going dual-use research work on missiles, high explosives, and heavy water routes to power reactor development sustained these incremental attempts to obtain technology, not least due to institutional momentum. "Given the sophisticated technology requirements set by the type of nuclear weapons system Seoul has considered developing, some planners believe that their country should do more than rely on advances in nuclear technology to shorten the lead time to a bomb," the report stated. "The strongest pressures in this regard arise quite naturally from the nuclear research community." The CIA concluded that Seoul would be greatly influenced by whether ground troop withdrawal by the United States would be completed and what impact that would have on the risk of a North Korean attack. "Irrespective of the ground troop question, however, South Korea will continue to question whether the United States would employ nuclear weapons on its behalf," the report states. "Waning confidence in the US nuclear umbrella, particularly if accompanied by a decline of US influence in Seoul, would strengthen the

hand of those who want to pursue a nuclear weapons option." South Korea's desire to become a missile power apparently continued into 1979, after the CIA's June 1978 Strategic Decisionmaking report was produced. On Aug. 29, 1979, Congressman Anthony Beilenson wrote to then US Secretary of State Cyrus Vance that the ROK government had obtained from US firms in the Los Angeles area "the specifications, engineering drawings, instructions and designs, blueprints and certain assembly equipment employed in the United States Atlas Centaur [missile] program." "Further," wrote Beilenson, "I am told that nose cone materials, alloys and certain guidance systems have also been acquired ... the Republic of Korea is now engaged in the procurement of associated computer equipment and software packages that would substantially upgrade and complement their current abilities to continue in this endeavor." 14 What action was taken on this letter is unknown. In the end, Seoul's nuclear ambitions and missile aspirations were reined in by political rather than geopolitical considerations. Park was now dead from an assassin's bullet, and after General Chun Doo-hwan seized power in a 1980 military coup, he was desperate to win support from the Reagan Administration. Chun downsized KAERI in 1981, in the course of which it was renamed the Korea Energy Research Institute and he scrapped the residual nuclear weapons and missile programs. This fascinating CIA narrative is not merely of historical interest but provides important lessons on how the South might respond to North Korea's current nuclear capability. First, it shows that even Park's iron-fisted dictatorship could not conduct a clandestine nuclear weapons program without the United States quickly realizing what was going on. Given today's democracy and openness, a clandestine nuclear weapons program is even less possible than it was in 1978. Of course, current domestic advocates of South Korean nuclear armament know this and welcome disclosure, precisely because this puts maximum pressure on the United States to either re-introduce its own nuclear weapons or coerce the North to denuclearize and co-operate with South Korea and the international community. This position arguably mirrors the evolution of Park's position from the early effort to develop nuclear weapons to using the nuclear option as a bargaining chip with the Americans. Park was a military man, and he must have realized that nuclear weapons would only increase the South's vulnerability to Soviet attack. In essence, Park strove for symbolic nuclear status rather than a meaningful nuclear force, and the effort backfired badly. Today's proponents of a South Korean nuclear weapon would enter the same cul-de-sac as Park - with the additional risk of prompting an unstable nuclear arms race on the Korean Peninsula. Second, Park's strategy failed both militarily and politically. South Korea gained little actual weapons technology, and his threats undermined trust and confidence from Washington even as US officials were already attempting to reverse Carter's withdrawal policy for fundamental strategic reasons. Similarly today, South Korea proliferating nuclear weapons would harm the alliance and could lead to international sanctions, trade losses, the undermining of Japan's non-nuclear commitments and strategic threats including the possible targeting of South Korean cities by China or Russia. Outside Korea, the current rhetoric appears irresponsible and demeaning to Korea's dignity in light of its planned hosting of the Global Nuclear Summit in March 2012 and the efforts to renew and amend the US-ROK nuclear cooperation agreement in 2014. Third, the outcome of the military crisis of August 1976 over North Korean aggression suggests that the massive mobilization of conventional force is what mattered, not the relatively

distant threat of nuclear attack. The same lesson applies today. What matters at the DMZ is the ability of South Korea and the United States to respond to North Korean military aggression. North Korea knows it would lose and the South's superior conventional forces backed by the US are almost certainly sufficient to deter or respond to a North Korean attack, whether nuclear or conventional. An important factor in Park backing off his proliferation program was the creation in 1978 of the ROK-US Combined Forces Command, which had both wartime and peacetime operational control over South Korean forces. This meant that the US military would become automatically involved in a war in Korea at the outset and was a reassuring trip-wire for Park. Likewise, after Reagan reasserted the US security commitment to South Korea upon his election in 1979, Chun dropped all nuclear and missile programs, demonstrating that nuclear weapons tend to create stress on the alliance. This is as true today as it was when the CIA wrote its report. Fourth, the CIA report wrongly concludes that unilateral withdrawal by the US could lead to the resumption of South Korea's nuclear weapons program. In fact, the eventual unilateral withdrawal more than a decade later, in 1991-92, left lethal US conventional forces in place and did not lead either to war or to South Korean proliferation. Indeed, it arguably prepared the way for engagement with the North in a way that slowed Pyongyang's nuclear proliferation by a decade, and led to its current isolation. In the mid-1970s, the North Koreans were assuredly also intensely aware of the South's nuclear drive, and this knowledge likely accelerated the North's own early program.¹⁵ South Korean proliferation today would make it far more difficult to negotiate the denuclearization of North Korea. An inter-Korean nuclear arms race would almost certainly lead to a new Cold War in the region involving China and Japan. The North's continuing perception of a threat after nuclear weapons have been removed from the Peninsula for nearly two decades indicates the depth of North Korean distrust and fear of the United States. The mere possibility of nuclear retaliation by the United States is a great motivator in Pyongyang. Finally, it is remarkable to us that during periods of improved inter-Korean and US-North Korea relations, dialogue and engagement have led to progress in stopping the North from gaining more nuclear weapons capacity. The opposite is also true - the North accelerated its proliferation activity during the height of the Cold War when Reagan confronted the former Soviet Union in the region, and again when President George W. Bush downgraded and degraded relations with Pyongyang. The lesson for politicians and strategists today is obvious. (Peter Hayes and Moon Chung-in, "Park Chung-hee, the CIA and the Bomb," *Hankyore/Gobal Asia*, September 26, 2011)

Chinese and Russian construction crews are racing to build transportation lines to Rason, a long-neglected port city that might now become an oasis for foreign investment. Chinese workers, living in roadside tents, are widening and paving a 31-mile road whose condition was once so mangled that trucks needed three hours to travel it. Russians, meantime, are finishing a \$200 million renovation project on 34-mile stretch of railroad. The road starts in Hunchun, China, and the railway starts in Khasan, Russia, but both pathways end at the same spot: a seaside city known as Rason, where North Korea is experimenting with the economic reforms it has consistently resisted. Twenty years ago North Korea designated Rason as a special economic zone, but the leadership in Pyongyang, ambivalent about loosening its state-run economy,

spent the subsequent 19 years ignoring Rason's potential. Only this year have North Korean officials delivered a new message, touting Rason as their mini-Singapore – a business-friendly hub with cheap labor, low taxes and a soon-to-arrive Internet connection for foreigners. "It's a test period," said Cho Bong-hyun, a researcher at Seoul's IBK Economic Research Institute. "If this investment takes off, I think North Korea will try to expand this kind of cooperation." "I do think North Korea is serious this time" about developing Rason, said Marcus Noland, a North Korea researcher at the Washington-based Peterson Institute for International Economics. "Why do I say that? Because we can actually see them paving the road. But the deeper issue is, what do they do with the road? Does the government want an enclave that will not affect the fundamental economy of the country? Or do they see it as a potential spur?" But Rason shows signs of its decades of neglect. It lacks the necessary electricity for full-scale industry, and Pyongyang only recently opened talks with China to provide new power lines. According to Andray Abrahamian, head of a Singaporean nonprofit who visited Rason in August, the area doesn't have sufficient banking services. And foreigners still cannot use the local cellphone network. Rason also has a market, about the size of a Wal-Mart, where locals can buy and sell everything from shampoos to pencils to computers. Many of the products, Abrahamian said, come from China. On a recent trip, foreigners were banned from taking photos of the stalls. "So clearly changes are afoot in Rason," Abrahamian said. "They're taking this seriously as a free economic zone. On the other hand they're still uneasy about the fact that they have markets where the vast majority of trade is done" in Chinese renminbi. (Chico Harlan, "N. Korea Creating a Port o' Call, *Washington Post*, September 27, 2011, p. A-12)

9/21/11 North Korea will return to six-party disarmament talks and suspend its uranium-enrichment program on the precondition that the South buy its nuclear fuel rods, *Asahi Shimbun* reports. The North allegedly made the offer during inter-Korean talks last week, the reported, citing an official at Seoul's Ministry of Foreign Affairs and Trade who handles the duties related to the multilateral talks. Ri Yong-ho, Pyongyang's chief delegate to the six-party talks, suggested to his South Korean counterpart Wi Sung-lac during the second inter-Korean denuclearization talks in Beijing on Sept. 21, the *Asahi* claimed. According to the report, Ri asked whether the South could buy 14,800 unused nuclear fuel rods - which can be made out of 101.9 tons of uranium - if the reclusive state were to accept calls for the immediate suspension of its controversial uranium program. (Moon Gwang-lip, "North Asks South to Buy Its Fuel Rods," *JoongAng Ilbo*, October 1, 2011)

9/30/11 The ruling Grand National Party will ask the Lee Myung-bak administration to ease sanctions on North Korea, especially on the Kaesong Industrial Complex, GNP Chairman Hong after a brief visit to the inter-Korean manufacturing park. Urging the Blue House to soften its hard-line stance on the North, Hong Joon-pyo expressed hope that Pyongyang would reciprocate by changing its attitude on inter-Korean relations. "The Kaesong Industrial Complex is a strategic place from where the two Koreas can develop into an economic community as well as a community of peace," Hong said at a press conference at Dorasan immigration office after his return. Hong was the highest ranking South Korean to visit the North since the start of the Lee administration. It was also the first time that a GNP chairman visited the regime. The chairman said the need

to ease sanctions on the joint industrial park was made clear after learning of the hardships faced by the more than 120 South Korean companies operating factories in Kaesong. "I will consult with the Ministry of Unification so that the May 24 [sanctions] can be applied flexibly to the Kaesong Industrial Complex." (Ser Myo-ja, "Hong Wants to Ease Sanctions on North," *JoongAng Ilbo*, October 1, 2011)

Lee Byung-chul: "South Korea faces a critical decision: whether or not to go nuclear, a decision that has US defense and diplomatic elites on edge. ... Talk of a nuclear option was anathema in South Korea only a decade ago. Recently, leading columnists in the mainstream media and conservative politicians have come out in support of public debate over Seoul's potential nuclear future. In January, Kim Dae-joong wrote in *The Chosun Ilbo*, "Time for S. Korea to Develop Its Own Nuclear Arms," [January 11, 2011] and another [pro-nuclear op-ed](#) on February 8. Kim, one of the most influential journalists in South Korea, is not alone in his beliefs. In fact, the nation's three most widely-read dailies—*The Chosun Ilbo*, *The JoongAng Ilbo*, and *The Dong-A Ilbo*—all hint of Seoul's need for enhanced nuclear capabilities. Similarly, National Assemblyman Chung Mong -joon, former chairman of the ruling Grand National Party (GNP), has been [reported as saying](#) [Yonhap, February 24, 2011], "Instead of an ambiguous U.S.'s (sic) nuclear umbrella, reintroduction of the tactical nuclear weapons would be a negotiating card." Chung asserted in a February 24 press release, that out of 1,000 South Koreans polled, 34.3 percent supported the necessity of nuclear weapons against the North's nuclear weapons, and 32.5 percent "relatively supported" it. Given Chung's political weight as a presidential contender for the GNP, the six-term National Assemblyman's remarks were enough to shock US policymakers, the majority of whom would tend to reject the redeployment of tactical nuclear weapons. A wider range of voices can be heard in policy debates that believe South Korea's future lies in arming itself with either American tactical nuclear weapons or those developed indigenously. In recent years, right-wing groups have been calling for the Lee Myung Bak administration to nullify the Joint Declaration of the Denuclearization of the Korean Peninsula, signed in 1992, on the grounds that the North has already broken the pact. ...South Korea cannot and will not pursue its nuclear dreams. Nuclear buildup would require consensus—the whole (or majority of) people coming together in agreement. In truth, most South Koreans would prefer to "throw some sand in the wheels of all the nuclear-haves," rather than seek the option of dealing a knockout blow to North Korea's nuclear forces. Just as North Korea's nuclear tests have fundamentally altered domestic public opinion on South Korea's nuclear policy, it is urgent to strengthen the South's national defense preparedness without any kind of nuclear weapons on its territory. That does not mean that South Korea wants armed conflicts with North Korea. To the contrary, the claims that South Korea should possess nuclear weapons is an indication of the topsy-turvy world in which common people feel more threatened by the unpredictable regime in Pyongyang than policymakers may think. The pursuit of a nuclear-armed South Korea represents a nightmarish error of policy and national strategy and a misunderstanding of what a globally responsible country must do to keep the world safe. If the South Korean government bends to conservative demands for matching not only North Korean nuclear capabilities but the military build up of other regional powers as well, the prospect for peace and stability on a nuclear weapons-free peninsula will be bleak. As big problems call for big solutions, to South

Koreans, the possession of nuclear weapons would be a big problem. That is why the Obama administration must invest more in nuclear diplomacy with South Korea, the host country of the 2012 Nuclear Security Summit." (Lee Byong-chul, "South Korea on the Fence: Nukes Or No Nukes?" *Foreign Affairs*, September 30, 2011)

Beijing is juggling many forces in its handling of different conflicts – and the PLA is not necessarily the dominant one. While the navy has stepped up South China Sea patrols, it has not been involved in the high-profile maritime incidents. There are at least six other bodies involved in enforcing maritime security: the coast guard, part of the border control department of the People's Armed Police, the maritime safety administration under the Ministry of Transport, the fisheries law enforcement command under the Ministry of Agriculture, the general administration of customs, and the maritime surveillance unit under the State Oceanographic Administration. While the South China divisions of these institutions are believed to have ties with, or even share facilities with the navy, experts says there is no evidence of direct military involvement in any of the incidents. "They are competing for funds and attention – and in addition there are internal regional rivalries," says Linda Jakobson of the Lowy Institute, an Australian think tank. "The [navy] does not want to be in the business of detaining civilians from other countries or shadowing commercial seismic survey vessels," says Professor Taylor Fravel of M.I.T. "They see their mission as defending Chinese territory, such as the contested islands, or defeating other naval forces, especially those of the United States." The sense of that mission has clearly evolved. As early as 2000, the Chinese magazine, *Modern Navy*, noted that the definition of the country's maritime rights and interests was shifting from simply protecting its coast to safeguarding its resources and sea lanes. Wu Shengli, commander of the PLA-N, has defended his force's missions farther from home, pointing in 2009 to the need to protect economic lifelines, which now include many more assets far from its shores. The military rarely moves from such arguments to attempting to develop a consistent foreign policy line, however. One of the most important national security debates has surrounded the question of whether to base South China Sea claims on an ambiguous dotted line that appears on all Chinese maps, circling the entire area, or to switch to claiming "land structures" – anything from islands to coral reefs – and the waters immediately around them, a move towards international law that would make the Chinese position easier for rival claimants to understand. The more hawkish coast guard opposes changes because that would make it impossible to claim some areas. The foreign policy apparatus favors a switch because it would strengthen China's credentials as a responsible stakeholder in the international system and eventually facilitate dispute resolution through negotiations. The PLA, by contrast, has kept out of the debate. Scenarios under which the civilian leadership would lose control of the military therefore have no basis in reality. Even though Mao Zedong, who coined the phrase that "the party controls the gun," died more than 30 years ago, the armed forces remain subordinate to the party. The PLA's relationship with later political leaders than Mao and Deng Xiaoping, who had earned the generals' respect in combat during the revolution, but presidents Jiang Zemin and Hu Jintao managed to establish a good working relationship with them. Longtime PLA observers say one reason is that these leaders have ensured the army received funds and equipment it needs to modernize and professionalize. Another is the flexible, pragmatic nature of

China's version of the political commissar system designed to keep the military under control. After realizing that civilian commissars were not popular with the soldiers, the party moved early on to put political work in the hands of professionally accomplished officers. Even when the military does meddle, analysts argue this is not a new phenomenon, but simply more visible as levels of debate and friction increase throughout society magnified by a more commercially driven press and vibrant internet. "In this new media environment, other bureaucratic players and interest groups can become first movers to establish a narrative to which governments must respond," says Professor Alastair Iain Johnston of Harvard University. In one such case, the Foreign Ministry initially voiced only "concern" over plans for joint maneuvers by the U.S. and South Korea in the Yellow Sea last year. But it toughened its line following a statement by General Ma Xiaotian, deputy chief of the general staff, that China was "extremely opposed" to such exercises. "It seems that the [Foreign Ministry] felt it could not be outflanked by the PLA on this issue and no one at the top was willing to discipline Ma," says Professor Johnston. Similar forces are at work with military scholars such as Major General Luo Yuan, deputy secretary-general of the Academy of Military Sciences. The *Global Times*, a tabloid owned by the *People's Daily*, regularly quotes him and other PLA professors. "The Chinese public is increasingly patriotic, so the angry generals sell," says an editor at the paper. For such figures, many retired on relatively low pensions, media appearances are welcome source of income. Foreign defense officials in Beijing say their commentary has added to the air of a new assertiveness driven by the military. For example, some apply the term "core interests" to a wide range of areas including the South China Sea, which has caused alarm abroad. But observers agree they do not even speak for the PLA, let alone the country's leadership. "Having us is quite convenient for the government," says one general who frequently airs hawkish views on state television. "Many people feel the same way we do, but then the government can disown us when needed - and, I tell you, they shut us up frequently." (Kathrin Hille, "A Show of Force," *Financial Times*, September 30, 2011, p. 9)

10/1/11

It is a telling sign of who is the rising star in [North Korea](#): state-run television showing octogenarian party secretaries bowing to a man their grandchildren's age before accepting the smiling man's handshake or kowtowing to his instructions. A year after [Kim Jong-un made his public debut](#) as North Korea's leader-in-waiting, scenes like that – the old party elite groveling – have become a staple of North Korea's propagandist media, a crucial tool for the country's leader, [Kim Jong-il](#), to elevate his son as his successor. "The obvious message of all this to North Koreans is that Kim Jong-un is now dictating to the top elite," said Cheong Seong-chang, a North Korea specialist at the Sejong Institute in South Korea. "It reflects the regime's confidence about his status as successor and about another hereditary succession." When Kim Jong-un, thought to be in his late 20s, [emerged from obscurity](#) a year ago this past week as a [four-star general](#) and vice chairman of the Central Military Commission of the Workers' Party, the first thing the outside world noticed was the obesity he appeared to have inherited from his father and his grandfather, the late Kim Il-sung, the founder of North Korea. (Some South Korean news media outlets speculated that he might have undergone plastic surgery to more closely resemble his grandfather, a godlike figure among North Koreans.) A year on, it appears increasingly clear that the leadership is helping

Kim Jong-un inherit his own personality cult. On state television, he is packaged to look like his grandfather: Mao suit, swept-back hair and the gravitas North Koreans associate with the Great Leader, who died in 1994. Less clear is whether the ruthless cunning that has intimidated generals and party elders is his or his father's. A major factor in the political dynamics surrounding the succession is whether Kim Jong-il can live long enough to provide his son with whatever assistance he may need to settle into power, analysts say. Park Hyong-joong, an analyst at the government-run [Korea Institute for National Unification](#) in Seoul, said that Kim Jong-un was believed to have masterminded the [execution of Ryu Kyong](#), the No. 2 man in the North's spy agency, the State Security Department, in January and the [dismissal of Ju Sang-song, the police chief](#), in March. "With Ryu, many others were purged at the State Security Department," Mr. Park said. "We can say that as he gained control of the department, Kim Jong-un needed to give jobs to people loyal to him." John Delury, a professor at Yonsei University in Seoul, who visited North Korea in September, said, "From what can be gleaned on visits to the country itself, Pyongyang at least shows visible signs of vitality: the increase in volume and variety of cars and trucks on the streets, construction projects swarming with workers, the bustling scene at the central market, and the incessant portaging of goods across the city – burgeoning market activity carried out overwhelmingly by enterprising women." While visitors to Pyongyang have reported that women can be spotted occasionally in more colorful and stylish clothes, Mr. Hughes, the departing British ambassador, told reporters in Seoul this week that "fundamentally there have been no changes in terms of ideology or policy" in North Korea. "There is no civil society, there's no center of dissent, there's no intellectual grouping, there's no way of actually communicating outside of the mobile phone," he said, adding that people who have mobiles phones, estimated at 600,000, "are very careful of what they say because they believe everything is being listened to." There is a darker side to the transition. The North is accused of sinking a South Korean warship in a torpedo attack that killed 46 sailors in 2010, and it shelled a South Korean island in November, aggressions that analysts said might well have been engineered by Kim Jong-un to prove his toughness. Adm. Robert F. Willard, commander of the United States Pacific Command, said that would be in keeping with the previous power transfer in North Korea, and that those attacks might not be the last. "The prospect of continued provocations is another dynamic that we must pay very close attention to," Admiral Willard said during a press briefing in Washington this week. (Choe Sang-hun, "North Korea's 'Dear Young General' Has Made His Mark," *New York Times*, October 1, 2011, p. A-4)

10/2/11

The United States and North Korea are likely to hold their second round of nuclear disarmament talks later this month, after a summit meeting between the South Korean and U.S. presidents, a senior government official in Seoul said, stressing the allies' close cooperation on the issue. "I expect the U.S. and North Korea to hold their second round of talks (in October), but I don't think the date has been fixed yet," the South Korean official said. "I think they'll decide on the date after summit talks are over between President Lee and President Obama, and after the two nations coordinate their position," the official said during a workshop with reporters in Hwaseong, some 45 kilometers southwest of Seoul. President Lee Myung-bak is scheduled for summit talks with his U.S. counterpart in Washington on October 13. (Lee Haye-oh, "U.S.-N.

Korea Nuclear Talks Likely after Lee-Obama Summit: Official," Yonhap, October 2, 2011)

10/4/11

KCNA: "The DPRK has so far made sincere efforts for resuming the six-party talks. The six-party talks are not for the DPRK only. So, its efforts alone are not enough to resume them. If pre-conditions are necessary for the resumption of the talks, it is essential to set pre-conditions on the basis of equality for all and all parties should move even if confidence building is necessary for the resumption of the talks. Doing so is in full line with the principle of simultaneous action which they committed themselves to abide by in the September 19 Statement. The DPRK calls for resuming the talks without pre-conditions. But the U.S. is creating wrong impression that there are things which the DPRK has to do first for the resumption of the talks. U.S. President Obama in his speech at the 66th session of the UN General Assembly on Sept. 21 claimed the DPRK has not taken concrete steps for dismantling its nukes. A spokesman for the U.S. State Department, the U.S. ambassador to south Korea and other officials of the U.S. vied with each other bragging the DPRK's 'sincerity' is not enough and it should show its will for denuclearization not in words but in action. The U.S. unilateral insistence on pre-conditions makes it hard to find its sincerity for the talks. This attitude makes people believe that the dialogue touted by the U.S. is not a sincere one but a stop-gap measure to tide over the crisis caused by its domestic political agenda such as presidential elections as it used to employ in the past. The U.S. talk about pre-conditions is little short of an artifice to shift the blame for the failure to resume the six-party talks on to the DPRK. The U.S. is sadly mistaken if it regards the DPRK's efforts for the resumption of the talks as 'a drawback.' If efforts to resume the talks prove futile as now and the chance for it is missed in the end, all facts will prove who is to blame for it." (KCNA, "KCNA Commentary Rejects Pre-conditions for Resuming Six-Party Talks, October 4, 2011)

North Korea and the United States have agreed to hold "working-level" talks on resuming recovery missions for the remains of American troops killed during the Korean War on Oct. 16-18 in Bangkok, a senior Seoul diplomat said. (Yonhap, "North Korea, U.S. Set Talks on War Dead for October 16-18 in Bangkok," *Korea Herald*, October 4, 2011)

10/5/11

Seoul's new chief nuclear envoy, Lim Sung-nam, left for the United States to discuss how to bring North Korea back to the stalled six-party denuclearization talks, a day after being tapped for the post. Lim, who served as deputy chief envoy to the talks in 2007 and 2008, is expected to coordinate with the United States on the next step in the dialogue with Pyongyang and whatever pre-steps the North must take to resume the forum. Yesterday, the 53-year-old career diplomat was tapped to replace Wi Sung-lac, who was named ambassador to Russia as part of a routine shuffle. Lim has also worked at missions in the United Nations and Taipei and speaks English, Chinese and Japanese. He has worked closely with Unification Minister Yu Woo-ik at the Korean embassy in Beijing as well as Foreign Minister Kim Sung-hwan. (Kim Young-jin, "New Nuke Envoy Heads to U.S.," *Korea Times*, October 6, 2011)

10/6/11

The Chinese government informed the South Korean foreign ministry that it will take more time interrogating over 20 North Korean defectors or illegal aliens in its custody, a foreign ministry official said. "As for the number of the aliens under probe, it seems to be less than 35, around 20 something," the official told reporters. A South Korean lawmaker said during the parliamentary audit on the Unification Ministry this morning that the North Korean defectors arrested by Chinese authorities last week were to be repatriated later in the day. Shortly after Rep. Park Sun-young of the Liberty Forward Party broke the news, the National Assembly panel on foreign affairs, trade and unification adopted a resolution urging China to stop the repatriation of North Koreans and guarantee their human rights. China has been holding three South Korean National Intelligence Service agents in custody for the past three months, *Tokyo Shimbun* reported. The three NIS officials were detained in June and have not been released yet, citing multiple sources in Seoul. The newspaper said that the three NIS officials entered China on tourist visas and collected information in Yanbian Korean Autonomous Prefecture before being arrested on spying charges. The news comes less than three months after South Korean reports said two NIS agents have been under Chinese custody since October last year on the same charges. (Kim So-hyun, "China to Take More Time Questioning N.K. Defectors," *Korea Herald*, October 6, 2011)

10/7/11

The United States has made no decision yet on holding another bilateral meeting with North Korea to discuss the stalled six-nation talks on the North's nuclear weapons programs, a senior U.S. diplomat said. "No decision has been taken about next steps," Kurt Campbell, assistant U.S. secretary of state for East Asian and Pacific affairs, told reporters in Seoul, when asked about a possible second round of meetings with North Korea. Campbell said he was debriefed by South Korean officials about the Beijing meeting between the two Koreas, describing the latest contact a "workman-like effort." "I don't think there were any breakthroughs," Campbell said. "The United States and South Korea are quite clear about what our expectations are in terms of the necessary pre-steps." (Kim Deok-hyun and Lee Haye-ah, "U.S. Yet to Decide on Another Nuclear Meeting with N. Korea," *Yonhap*, October 7, 2011)

Kim Tae-hyo, deputy national security advisor to President Lee Myung-bak, told a security forum in Seoul, "I think that North Korea could test-launch a long-range missile or conduct a third nuclear test if denuclearization talks with South Korea and the U.S. fail." In particular, North Korea is likely to instigate "provocative actions" if Pyongyang judges it can't receive economic assistance from South Korea and the U.S. ahead of next year's presidential elections in both nations. Lee and U.S. President Barack Obama will hold "in-depth" discussions about the allies' "conventional and extended nuclear deterrence" during next week's summit in Washington, Kim said. (*Yonhap*, "N. Korea Could Conduct 3rd Nuke Test If Talks Fail: Presidential Aide," October 7, 2011)

The United States said it was worried about North Korea's food crisis but that it had made no decision on resuming aid because of concerns over whether the help will truly reach the needy. "The United States remains deeply concerned about the well-being of the North Korean people. We take this issue very seriously," State Department spokeswoman Victoria Nuland said in a statement. Nuland said, however, that North

Korea still had to address U.S. concerns over monitoring of aid shipments following charges that North Korea's isolated communist government had diverted past food deliveries for its own use. "Any decision will be based on legitimate humanitarian needs, competing needs elsewhere, and our ability to ensure that aid is reliably reaching the people in need," Nuland said. "We continue to analyze the results of the field team's assessment and are closely monitoring the food situation." U.S.-based nongovernmental organizations involved in prior food relief efforts for North Korea have expressed frustration over the slow pace of U.S. decision-making, saying their assessment of North Korea's food crisis indicated a wider disaster in the offing. Jim White, vice president for operations at Mercy Corps, which led the consortium of U.S. NGOs involved in the last U.S. food aid program, said a recent trip to North Korea showed conditions getting worse. "We definitely saw evidence at that time of both significant chronic malnutrition but also a heightening number of acute malnutrition cases," White told Reuters. "Humanitarian assistance should be completely separated from the politics on whether or not a country is favorable to other countries in the world. We feel it is important that these people get food," he said. The U.N.' Food and Agriculture Organization said in August that July flooding in North Korea had caused localized damage to the 2011 crop, but the extent of the damage still needed to be assessed. (Andrew Quinn, "U.S. Worried by North Korea Food Crisis But No Aid Yet," Reuters, October 7, 2011)

South Korea should rule out political considerations when handing out humanitarian aid to North Korea, Seoul's top presidential aide said. "Humanitarian aid should continue and when sending aid, the North Korean leadership and ordinary North Korean residents should be considered as separate entities," Chun Yung-woo, senior secretary to President Lee Myung-bak for foreign affairs and national security, told a security forum in Seoul. "We cannot let 24 million people suffer because of what their leader did," Chun said. "North Korea claims that the six-party talks should be resumed without preconditions," Chun said. "As a matter of principle, we have no intention to reward North Korea for its illegal nuclear activities." "The six-party talks will come back to life only if North Korea shows its sincerity by taking the required pre-steps, including a monitored shutdown of its uranium enrichment program," he said. (Shin Hae-in, "Seoul Hints at Unconditional N. Korea Aid," *Korea Herald*, October 8, 2011)

As it sought to stop North Korea from spreading its nuclear technology, the U.S. uncovered signs in 2007 that the country was channeling funds through a major Middle Eastern bank based in Jordan, one of its closest regional allies, according to diplomatic cables posted online by WikiLeaks. In the cables, U.S. officials warned their counterparts in Jordan that North Korea was using Amman-based Arab Bank PLC to receive money from Syria and Iran, circumventing international sanctions. "We are concerned that Iran, Syria, and DPRK [North Korea] proliferation entities are using the Arab Bank network to process what may be proliferation-related transactions," read an August 2007 cable from the State Department to the U.S. Embassy in Amman. Arab Bank said it didn't believe it had processed any North Korean funds. "Based on a review of its customer account and transaction records, Arab Bank does not believe that it has conducted business with the government of North Korea or Tanchon Bank," the bank said. "In addition, Arab Bank has not found any records indicating that

government officials provided information to the bank concerning surreptitious efforts by North Korea to move funds through its network," it said. The U.S. cables, which were posted at the end of August, suggest that Arab Bank may have processed the purported North Korean transactions unwittingly. They say that Tanchon was conducting its financial transfers surreptitiously using aliases and front companies. (Thomas Catan, "Cables Say Syria, Iran Illegally Moved Cash to North Korea," *Wall Street Journal*, October 7, 2011)

Mitt Romney and Eliot Cohen, *An American Century: A Strategy to Secure America's Enduring Interests and Ideals*: "North Korea's nuclear weapons program is a serious menace to world peace. A nuclear weapons capability in the hands of an unpredictable dictator like Kim Jong-il or his eventual successor poses a direct threat to U.S. forces on the Korean Peninsula and elsewhere in East Asia, threatens our close allies South Korea and Japan, destabilizes the entire Pacific region, and could lead to the illicit transfer of a nuclear device to another rogue nation or terrorist group. As president, Mitt Romney will commit to eliminating North Korea's nuclear weapons and its nuclear weapons infrastructure. A key mistake in U.S. policy toward North Korea has been to grant it a series of carrots in return for only illusory cooperation. Each step the world has taken toward North Korea has been met with further provocations and expansion of its nuclear program. Over the years, North Korea has found that its pursuit of a nuclear weapon reaps it material and diplomatic rewards, taking away any incentive for its end its program. Mitt Romney will reverse that dynamic. Mitt Romney will reverse that dynamic. The United States will make it unequivocally clear to Pyongyang that continued advancement of its nuclear program and any aggression will be punished instead of rewarded. Mitt will work with allies to institute harsher sanctions on North Korea, such as cracking down on financial institutions that service the North Korean regime and sanctioning companies that conduct commercial shipping in and out of North Korea. He will also step up enforcement of the Proliferation Security Initiative to constrain North Korean illicit exports by increasing the frequency of inspections of North Korean ships and discouraging foreign ports from permitting entry to North Korean ships. Such measures would significantly block the trade revenue that props up the North Korean regime and shut off routes by which the regime supplies its nuclear program. China holds significant political and economic leverage over North Korea. It is not using that leverage, however, to achieve the goal of ending North Korea's nuclear program. China fears a destabilized North Korea and the implications of its possible collapse for the region along its border. Mitt will work to persuade China to commit to North Korea's disarmament. He will reassure China it will not be alone in dealing with the humanitarian and security issues that will arise should North Korea disintegrate. This will involve detailed planning for such an eventuality to ensure that we are ready to deal with the numerous issues that will arise if and when the North Korean regime collapses under the weight of its own economic and political contradictions. Mitt will also pursue robust military and counter-proliferation cooperation with our allies and others in the Pacific region. As the United States invigorates our relationships with South Korea, Japan, and others, and increases our collective military presence and cooperation, it should demonstrate to the Chinese that they should join the coordinated effort or be left behind as a regional counter-proliferation partner." MittRomney.com

10/8/11

The Pyongyang University of Science and Technology, backed by evangelical Christians and Western-trained scientists, aspires to give future leaders tools to develop the country's backward economy and promote peace on the Korean peninsula. This week, the year-old school is hosting its first international conference for "the advancement of science education and international cooperation," with dozens of foreign speakers, including a Nobel laureate from the United States. "We are building a bridge between the Western world and North Korea," said Chan-Mo Park, the school's chancellor, who is a former University of Maryland computer science professor. The unprecedented academic venture has amassed support from evangelists eager to share Christian love, if not doctrine, in a place where religious proselytizing is forbidden. For the North Korean government, the \$35 million campus is an opportunity to give favored students a taste of international education – without allowing them to leave. Peter Agre, a winner of the Nobel Prize in chemistry, led a team of U.S. scientists and funders into North Korea in 2009 and returned this week as keynote speaker at the conference. During his first visit, chaperones led the Americans on a tour of research institutes and universities and discussed possible collaborations. At the farewell dinner, Agre left his hosts with a gift: the navy blue necktie he wore for his Nobel speech in Stockholm. "I wanted to welcome North Korea into the global community of science," he said. (Michael Allison Chandler, "Private University in N. Korea Offers Lessons in Science, Collaboration," *Washington Post*, October 9, 2011, p. A-17)

10/10/11

The second Washington-Pyongyang talks on the North's denuclearization will likely be held within this month, a senior Seoul official said. "The timing of the U.S.-North dialogue will be determined after the South Korea-U.S. summit slated for October 13, but I guess it will not be later than the end of this month," he said. "It feels still too early to predict what the result of the talks will be," the official said, "but basically, what kind of package North Korea would bring to the table will be a point to watch." (Moon Gwang-lip, "U.S. and North to Talk by End of Month," *JoongAng Ilbo*, October 11, 2011)

Facing growing criticism that his hard-line stance toward North Korea has backfired, South Korean President Lee Myung-bak defended the strategy, and said there are signs his approach is beginning to work. "There are some real changes we are detecting," Lee said in an interview. "In the past, if we had dialogue between the two Koreas, it was never about nuclear weapons. The discussion was only about when and how much aid we would give." [?] Lee had hoped his stance would push North Korea to recommit to old denuclearization promises. Instead, the North has kept its weapons – and turned to China for the aid and investment it once got from Seoul. Intra-Korean relations hit a low point last year with two military attacks on South Korea, prompting calls domestically for Lee to soften his approach. "Of course my policy can receive criticism: It's taken a long time," Lee said. "It requires persistence. But we're trying to fundamentally resolve the problem." (Chico Harlan, "South Korea's Lee Defends Stance on North," *Washington Post*, October 12, 2011, p. A-9)

Victor Cha: "North Korea's nuclear test and military provocations in 2009 and 2010 created a situation far too dangerous to leave unattended. When President Obama

hosts South Korean President Lee Myung-bak this week, they are likely to discuss a second round of U.S.-North Korea talks this month, effectively opening the first negotiation of Obama's presidency to contain North Korean belligerence. The goal of this diplomacy remains the peaceful denuclearization of North Korea. But the administration needs to make clear the costs that will come with a failed negotiation. For too long, the North Koreans have been told to "denuclearize or else," yet the regime has defied agreements with little consequence. Washington would do well to plan with other participants in the "six-party talks" – South Korea, China, Russia and Japan – and U.N. Security Council members the consequences of another failed negotiation: financial sanctions, military augmentations of the U.S.-South Korea alliance and other actions that target the regime in Pyongyang. ... First, nuclear safety. Simply put, you cannot dismantle that which is not safe. The meltdown in Fukushima, Japan, in March happened at an old complex but one that was relatively safe by international standards. The Yongbyon nuclear complex in North Korea is anything but safe. Almost a decade ago the International Atomic Energy Agency deemed North Korean nuclear facilities, radiation shielding systems, cranes and waste disposal sites seriously defective. The agency has been unable to implement any safeguards measures in recent years. Construction practices at the old plutonium complex and the centrifuge enrichment facility that the North revealed in November 2010 are not compatible with international reactor safety standards, according to an American scientist who visited the site. ... Reactors and their related facilities in North Korea need to be made safe before they can be safely dismantled. The last safety management training session for North Korean officials by international experts was in July 2002. Disasters (natural or man-made) of much lesser magnitude than the Fukushima tsunami and earthquake could result in an unstable nuclear complex, and a meltdown at Yongbyon would have broad implications given the plant's proximity to the Asian mainland. Second, engage on nuclear deterrence. The North must be convinced that it is in the worst of two worlds with its handful of weapons – that this cache, absent a demonstrated long-range missile reentry capability and any evidence of warhead miniaturization, does not come close to a credible nuclear deterrent. The North gets no added security from these weapons. But the recent string of provocations against the South suggests that Pyongyang may believe it is invulnerable to retaliation, thanks to its nuclear capabilities. This erroneous belief is a recipe for escalation as Seoul is determined to respond militarily and lethally to the next provocation. Responsible parties need to sit down with the North and explain the ABCs of nuclear deterrence. Third, nuclear energy should be off the table. What the North has wanted in the past two agreements is light-water nuclear reactors. The 1994 agreement promised two and started a process to build them. The 2005 agreement followed the spirit of the 1994 agreement. In the aftermath of Fukushima, light-water reactors should not be in North Korea's future. They were never a viable energy source for the North – it would take two decades to build the necessary power grids to avoid a meltdown – and it would not be possible to know whether Pyongyang was operating these things safely. It would be in everyone's interests to find an alternative energy quid pro quo for denuclearization. When I participated in the six-party talks, one alternative put forth by the South Koreans was conventional electricity. The recent talks between Russia and North Korea about gas pipelines might be another. These ideas would meet with strong resistance from Japan and South Korea because engagement on these issues

might suggest de facto recognition by Washington of North Korea as a nuclear weapons state. It might make sense to engage China and Russia to play more active roles. Allies should know that the goal of any U.S. negotiations remains complete and irreversible dismantlement of all nuclear weapons and related programs, and these new avenues of negotiation may help us get there. But not engaging in a pragmatic manner on nuclear safety and deterrence could spell disaster as U.S. diplomats negotiate endlessly on the same intractable issues that have plagued our pursuit of Pyongyang's weapons programs for 25 years." (Victor D. Cha, "How to Disarm North Korea," *Washington Post*, October 10, 2011, p. A-17)

The U.S. government has no plans for meeting North Korean officials while they visit Georgia next week, a State Department official said. A delegation led by Rhee Jong-hyuk, a close confidant of leader Kim Jong-il, will attend an academic forum hosted by the University of Georgia in Athens from October 17-20, according to organizers. Rhee serves as vice chairman of the North's Asia-Pacific Peace Committee, an organ of the Workers' Party in charge of inter-Korean affairs. The so-called Track Two forum sets the stage for not only a rare U.S. trip by a senior North Korean official, but also for inter-Korean meetings as some of South Korea's ruling and opposition lawmakers will take part. "My understanding is that no U.S. government officials will meet with the North Koreans during their visit, at the forum or elsewhere," the official told Yonhap. Park Han-shik, professor at the university, said earlier the forum is aimed at promoting close dialogue among the U.S. and the two Koreas. "If Track One is for government-to-government, Track Two is attended by parliamentary officials who can influence government policy," he said. (Lee Chi-dong, "No U.S. Officials to Meet N. Koreans in Next Week's Forum: State Dept.," Yonhap, October 12, 2011)

Relations between South Korea and China are strained after Beijing said it is sending 20 North Korean defectors back to their country after arresting them late last month, despite urgent requests from South Korea not to send them to almost certain internment in a gulag, torture or death in the North. But the South Korean government is under internal pressure for failing to do its Constitutional duty to protect them. Under the Constitution, all North Koreans are automatically South Korean citizens. Chinese authorities recently cracked down on North Korean defectors in its three northeastern provinces and apparently arrested scores in Shenyang. A South Korean group helping defectors found out about what it said were 35 arrests and appealed to the media to prevent them from being sent back to the North. The ruling Grand National Party in an emergency meeting demanded that Beijing halt the repatriations, and the Foreign Ministry dispatched an official to speak with Chinese authorities, but to no avail. (*Chosun Ilbo*, "N. Korean Defectors Strain Seoul-Beijing Relations," October 12, 2011)

10/12/11 Congress passed three long-awaited free trade agreements, ending a political standoff that has stretched across two presidencies. The move offered a rare moment of bipartisan accord at a time when Republicans and Democrats are bitterly divided over the role that government ought to play in reviving the sputtering economy. The approval of the deals with South Korea, Colombia and Panama is a victory for President Obama and proponents of the view that foreign trade can drive America's economic

growth in the face of rising protectionist sentiment in both political parties. They are the first trade agreements to pass Congress since Democrats broke a decade of Republican control in 2007. All three agreements cleared both chambers with overwhelming Republican support just one day after Senate Republicans prevented action on Obama's jobs bill. The passage of the trade deals is important primarily as a political achievement, and for its foreign policy value in solidifying relationships with strategic allies. The economic benefits are projected to be small. A federal agency estimated in 2007 that the impact on employment would be "negligible" and that the deals would increase gross domestic product by about \$14.4 billion, or roughly 0.1 percent. The House voted to pass the South Korea measure, 278 to 151. The vote reflected a clear partisan divide, with many Democrats voting against the president. In the Senate, the South Korea measure passed 83 to 15. Senator Harry Reid of Nevada, the majority leader, voted against all three measures. The House also passed a measure to expand a benefits program for workers who lose jobs to foreign competition by a vote of 307 to 122. (Binyamin Appelbaum and Jennifer Steinhauer, "Congress Ends 5-Year Standoff on Trade Deals in Rare Accord," *New York Times*, October 13, 2011, p. A-1) Sohn Hak-kyu, leader of the opposition, called the bill an "unfair contract with many benefits for the United States." He said, "The more the United States speeds things up with this ratification, the more we need to be prudent." His Democratic Party argues that ten clauses in the pact need to be revised. This poses a challenge for the ruling GNP because South Korean lawmakers traditionally seek to forge consensus rather than ramming legislation through by using their majority. (Alan Beattie and Christian Oliver, "Trade Pacts Pass House to Muted Response," *Financial Times*, October 13, 2011, p. A-2)

10/13/11

Leader Kim Jong Il in his answers to questions raised by ITAR-TASS of Russia on Oct. 13, 2011 clarified the principled stand on the nuclear issue on the Korean Peninsula and the resumption of the six-party talks. The international situation is complicated and there are serious moves challenging peace at present. The danger of war is increasing due to the imperialist and hegemonic forces on the Korean Peninsula, in particular. The nuclear issue on the peninsula cropped up as the U.S. posed constant threat to the sovereignty and security of the Korean people. Dialogues for denuclearization of the Korean Peninsula took place from the 1990s thanks to the honest and sincere efforts exerted by the DPRK government. In this process such crucial bilateral and multilateral agreements as the DPRK-U.S. Agreed Framework and the September 19 joint statement were adopted. But the implementation of these agreements were stopped halfway or completely derailed. The nuclear threat to the Korean Peninsula increased, far from dwindling. The sovereignty keeps the country and the nation alive. The DPRK was compelled to access nuclear deterrent to protect itself from the U.S. undisguised nuclear threat and its stepped-up hostile policy. There was a consensus of views at the August DPRK-Russia summit meeting and talks to resume the six-party talks at an early date without preconditions and implement the September 19 joint statement in a comprehensive and balanced way on the principle of simultaneous actions. This was a manifestation of the principled stand of the two countries to defend regional and global peace and security. The stand and efforts of the two countries have commanded support and sympathy from the international community as they were after peace and security in Asia and the rest of the world and

new, fair international order, opposed to high-handed practices, hegemony, aggression and war. Peace on the Korean Peninsula is not a matter confined to the region only. No region in the world has been exposed to the greater danger of war than the Korean Peninsula even though there are many regions where tensions run high under complicated situation. The U.S. envisages fighting a nuclear war in case it provokes a war on the peninsula. A nuclear war on the peninsula, where the interests of big powers are entwined, will easily spill over into surrounding countries and develop into a global thermo-nuclear war. This will bring disastrous nuclear holocaust to humankind. The denuclearization of whole Korean Peninsula is a historical task for global peace and prosperity and development of all the countries and nations in the new century. To bring the process for the denuclearization of the peninsula back to its track, it is necessary to pay primary attention to building trust between the DPRK and the U.S., parties directly responsible for the nuclear issue, and resume the six-party talks without preconditions at an early date. Consistent is the stand of the DPRK to attain the goal of denuclearizing the peninsula through the six-party talks.” (KCNA, DPRK Leader Kim Jong-il’s Interview with Russia’s Itar-Tass, October 21, 2011)

During the state visit of South Korea’s president, Lee Myung-bak, which began yesterday, he will be feted at a White House state dinner, invited to speak to a joint session of Congress, and treated to a road trip to Detroit with President Obama, where the two leaders plan to tour a General Motors factory together. For a visiting head of state, the carpet does not get any redder than that, and it suggests that there may be something mysterious and powerful at play between Obama and Lee: Call it a presidential man-crush. In some respects, South Korea’s leader has had the kind of presidency Mr. Obama would like to have. With less strangling government debt and a society driven to transform itself, Lee has been able to pursue much of the “win the future” agenda that Obama has advocated. South Korea, as Obama likes to point out, has a high-speed broadband network that reaches more than 90 percent of its people, compared with only 65 percent of Americans. A larger percentage of South Koreans than Americans graduate from college. At a time when financially struggling school districts here are laying off teachers, South Korea is hiring them to satisfy demanding parents. Indeed, Obama cites Lee’s views on education in virtually every speech he gives these days, including one in Pittsburgh on October 11, holding up the hard-working Asian country as an example of what the United States needs to do. The two men have also built a personal bond, with Lee being among a small number of leaders – Chancellor Angela Merkel of Germany and Prime Minister Recep Tayyip Erdogan of Turkey are two others – who seem to have pierced the president’s reserve. At a lunch in Seoul in November 2009, which aides said left a lasting impression on Mr. Obama, the two spent much of the time discussing education, not least the role of parents in schooling their children. “They were discussing the place that teachers occupy in society,” said Daniel R. Russel, Obama’s senior adviser on Asia at the National Security Council, who attended the lunch. “It was very human, and it’s not that common at those rarefied heights of leadership to have a real conversation in which the two people can speak openly about an issue they both care deeply about.” Obama, Russel said, also admires Mr. Lee for his determination to thrust South Korea into the front rank of world powers and his approach to his erratic neighbor, North Korea. While he has taken a tougher line than his predecessors toward the government in Pyongyang, he has also

stopped short of military action in response to a string of belligerent acts, including the torpedoing of a Navy ship and the shelling of a South Korean island. During that tense period, Obama met Lee at a Group of 20 meeting in Toronto, and declared afterward, "My personal friendship with President Lee and my admiration for him continues to grow." That kind of emoting is rare for the president, who has been criticized in some quarters for not having the chummy relationships with foreign leaders that George W. Bush and Bill Clinton did. And the two leaders are not an obvious match: although both rose from modest circumstances, Lee, 69, spent most of his career running a construction and engineering conglomerate. "When Obama deals with foreign leaders, he tends to be very transactional," said Victor D. Cha, a former Asia adviser in the Bush administration who teaches at Georgetown University. "But there's absolutely no doubt that he has really connected on a personal level with this leader." Lee has not had an easy time as president, but, of course, that may only serve as more common ground for the two presidents. Lee has had an even rockier time in the public-opinion polls than Mr. Obama, first struggling with street protests over imports of American beef and, to this day, fending off criticism of his business ethics. The Senate and House both voted to approve the pact yesterday. (While the votes were being cast, Mr. Lee and Mr. Obama were dining together at a Korean barbecue restaurant, Woo Lae Oak, in the Virginia suburb of Tysons Corner.) The Obama administration, however, has steadfastly supported Lee in his dealings with Kim Jong-il, the North Korean leader, helping South Korea with an investigation of the sinking of its ship, the Cheonan, and staging naval exercises in the Yellow Sea to deter the North. And the administration took an immediate liking to Lee's harder-line approach to the government in Pyongyang, which made offers of aid contingent on Mr. Kim's abandoning his nuclear ambitions. **"The feeling was, 'This guy's approach on North Korea is right on the money, and it's our approach,'"** said Jeffrey A. Bader, who was Obama's chief adviser on Asia at the National Security Council until April. American officials said this support has allowed Lee to respond to North Korea sternly but without risking a deadly confrontation. Indeed, **after quiet pressure from American diplomats, Lee has dropped a demand that North Korea apologize for sinking the Cheonan** – which it denies doing – as a condition for any new talks between the North and South. Now that those talks have resumed, the United States has also reopened contact with North Korea. A second meeting between the administration's special envoy, Stephen W. Bosworth, and a senior North Korean official is likely to be announced after Lee's visit, administration officials said. Few Americans hold out much hope for a breakthrough with North Korea. But that will have little impact on Lee's visit, which, coming on the heels of Congressional approval of the trade pact, will serve as a reminder of the alliance between the United States and South Korea. "Lee Myung-bak is the most dynamic leader in that region right now," said Michael Green, a senior Asia adviser in the Bush administration. "There's a lot to like about him for the White House." (Mark A. Landler, "S. Korean State Visit Highlights Bond between Two Leaders," *New York Times*, October 13, 2011, p. A-10)

A seaside casino resort developed by a Hong Kong company chauffeured Chinese officials and businesspeople from the nearby border in a red Humvee. A Chinese construction company is expanding a bazaar where North Korean entrepreneurs sell Chinese-made goods to their compatriots at market prices, a sign of nascent

capitalism. Trucks bring coal from mines in northeast China to a pier leased by the Chinese where the coal is shipped to Shanghai. A Russian company is leasing another pier. Those are some of the seeds of foreign enterprise in this remote northern port town that North Korean officials are seeking to nurture. Grappling with an economy that has stagnated from decades of communist central planning, North Korean leaders are slowly opening their isolated nation to foreign investment. Since designating Rason a special zone in 1991, North Korean officials have tried on occasion to attract investment here, with poor results. Foreign journalists got a glimpse of Rason when they accompanied Chinese businesspeople on a recent tour. On the surface, Rason is an unlikely site for a boomtown. It is a three-hour drive on a rutted dirt road from the Chinese border. In the surrounding countryside, green with cornfields and pine trees, men ride horses and ox carts while women dry cuttlefish on rooftops. The area, home to 200,000, suffers from blackouts. In the town center, bicyclists navigate dirt tracks. There are few cars, stores or restaurants. But Rason's port remains ice-free, a rarity in Northeast Asia, and officials here see shipping as a pillar of economic growth, along with seafood processing and tourism. They say they also want foreign-run assembly plants and high-technology factories. As inducements, they say they would offer tax breaks, full foreign control and minimum monthly wages set at \$80 per worker, lower than in China. "The Rason government will do our best to provide favorable conditions for investment," said Hwang Chol-nam, the vice mayor in charge of economic development. "Please tell the world." The powerful National Defense Commission recently created both the State Development Bank and the Taepung International Investment Group, which is charged with bringing in foreign investment. Park Chol-su, an ethnic Korean with Chinese citizenship, has top positions in both organizations. Mr. Park has an office in Beijing and led the recent tour to Rason, as well as a cruise aboard a dilapidated ship to the nature park of Mount Kumgang. Forbes reported last month that Mr. Park is even negotiating with American businesspeople to start production of Coca-Cola in North Korea. "It's the market that directs national development," Park said in an interview. "We operate according to market economic principles." Park said North Korea welcomed investment from all countries, including the United States, but was looking closely at China, a critical ally, because "China has successfully opened and reformed. At this point, China has ample experience, so it's easier for Chinese enterprises to participate in the North Korean market." For Rason to really attract foreign investment, it must solve the "urgent problem" of infrastructure, Mr. Hwang said. A Chinese company is paving a road from the Chinese border. The town also plans to buy electricity from China and build a coal-fired power plant with Chinese expertise. Mr. Hwang said officials had contracted with a Thai company, the Roxley Group, to establish cellphone and Internet service in Rason, and had agreements with the border guards not to confiscate foreigners' cellphones, as they now do. The Peterson Institute for International Economics, based in Washington, recently published conclusions from a 2007 survey of 250 Chinese companies doing business in North Korea. The authors found that while nearly 90 percent were profitable, the companies "generally have a negative assessment of the business environment" for reasons like poor infrastructure and lack of rule of law. "In the future, of course I want to come here to invest," said Wang Zhijun, a Chinese businessman on the recent tour. "For now, the conditions are not yet mature." (Edward Wong, with Edy Yin and

Jonathan Ansfield, "Tending a Small Patch of Capitalism in North Korea," *New York Times*, October 13, 2011, p. A-6)

President Lee: "I recognize the reality that Korea has been split in two. But I will never accept it as a permanent condition. The two Koreas share the same language, history and customs. We are one people. In both Koreas, there are families who have never spoken to their loved ones for more than half a century. My hope is that these people and all 70 million Koreans will enjoy real happiness, real peace. And for this, we must first lay the foundation for peace on the Korean Peninsula. And upon this foundation we must strengthen cooperation between the two Koreas. We must seek the path that will lead us towards mutual prosperity. And we must achieve peaceful unification. A unified Korea will be a friend to all and a threat to none. A unified Korea will contribute to peace and prosperity, not only in Northeast Asia but far beyond. We therefore must achieve the denuclearization of the Korean Peninsula. And North Korea must give up their nuclear ambitions. Korea and the United States stand united. We are in full agreement that the Six Party Talks is an effective way to achieve tangible progress. We are in full agreement that we must also pursue dialogue with North Korea. However, we must also maintain our principled approach. A North Korea policy that is firmly rooted upon such principles is the key that will allow us to ultimately and fundamentally resolve this issue. North Korea's development is in our collective interest and this is what we want; however, this depends on its willingness to end all provocations and make genuine peace. We will work with you and the international community so that North Korea makes the right choice." (Yonhap, Text of President Lee Myung-bak's address to joint session of Congress, October, 13, 2011)

PRESIDENT OBAMA: "[W]e discussed North Korea, which continues to pose a direct threat to the security of both our nations. On this, President Lee [and I] are entirely united. **Together, we've succeeded in changing the equation with the North, by showing that its provocations will be met -- not with rewards but with even stronger sanctions and isolation.** So the choice is clear for North Korea. If Pyongyang continues to ignore its international obligations, it will invite even more pressure and isolation. If the North abandons its quest for nuclear weapons and moves toward denuclearization, it will enjoy greater security and opportunity for its people. That's the choice that North Korea faces." **Q.** I know that President Lee is talking about a South Korea-North Korea-Russia trilateral gas pipeline project. But North Korea is also under a lot of sanctions from the international community and the United States and other countries. But having said that, if this gas line project proceeds as planned, then we would have to provide or compensate North Korea with a substantial amount of money or other forms of compensation. So in your opinion, President Lee, do you think that the gas line pipe project will be able to proceed without resolving the North Korean nuclear issue? **PRESIDENT LEE:** (As interpreted.) Yes, thank you. And I don't know if that's a question that I should be answering here in the United States, but since you asked a question I will try to answer that. In the Far East, we have been discussing this issue for quite some time in trying to import Russian gas into the Republic of Korea. Now, we're discussing, right now with the North Koreans, whether the Russian gas -- which is quite affordable -- can travel through North Korea and be imported and be used in South Korea. This is beneficial, first of all,

for Russians because they can sell their natural resource. For North Korea it is beneficial because they could use this natural resource, and also beneficial for South Korea as well. But let me just remind you that South Korea, North Korea and Russia haven't yet come together to discuss this issue in any detail. But from an economic standpoint of view, it is beneficial for all parties involved. But I understand that this issue is not just economics alone. This issue, inevitably, involves security matters, which we will consider very closely. And, also, let me remind you that this project will not be implemented anytime soon. Of course we are mindful of the progress that we are making with regards to the North Korean nuclear issue as well. (White House, Office of the Press Secretary, Remarks by President Obama and President Lee of the Republic of Korea in Joint Press Conference, October 13, 2011)

The US red-carpet welcome for South Korean President Lee came as number-two Senate Republican Jon Kyl has frozen the nomination of Sung Kim, who would be the first Korean-American to hold the post, to highlight concerns about Obama's policy towards North Korea, three US officials said. "There is a concern with a lot of members in the Senate, including Senator Kyl, that the administration's policy in dealing with North Korea is fairly soft," said a source familiar with Kyl's thinking, who requested anonymity. The source told AFP that lawmakers were unhappy about being kept in the dark about possible "incentives" offered to North Korea in order to restart stalled six-country negotiations on dismantling its nuclear program. "There have been inquiries made to the State Department," the source said, but "we have not received a response." While it's Obama's "prerogative" to steer US foreign policy, the lack of information has fueled "reluctance" to confirm Kim, a career diplomat. Kyl and fellow Republican Senator James Inhofe spelled out those concerns in a September 13 letter to US Secretary of State Hillary Clinton warning they were "deeply skeptical of the efficacy of engagements with North Korea." They said, "We seek your written assurances that the administration will not provide any financial incentives to Pyongyang -- including relief from sanctions, food aid, energy supplies, and other commercial goods -- in exchange for participating in multilateral negotiations on North Korea's nuclear program." (AFP, "S. Korea's Lee Visits U.S. amid Row over Ambassador," October 15, 2011)

10/14/11 North Korea and Russia held a test run of their renovated cross-border railway, in a move that could help make a key North Korean port a regional transportation hub. The track once again links Russia's Far Eastern border town of Khasan to North Korea's northeastern port city of Rajin after three years of renovation, mostly financed by Russia. (Yonhap, Russia, N. Korea Conduct Test Run of Cross-Border Railway," October 14, 2011)

10/17/11 "Japan's position is that the issue of the comfort women was legally resolved in 1965, and that has not changed," said, PM Noda Yoshihiko in an interview with *Japan Times* on the eve of his trip to Seoul. "We will not bring this issue up during the upcoming Japan-South Korea summit meeting - it has already been settled. (Ito Masami, "Comfort Women' Issue Resolved: Noda," *Japan Times*, October 18, 2011)

Younger South Koreans are increasingly second-guessing a national goal. They don't think an eventual unification with North Korea will restore order and salve old wounds; they think it will turn a prosperous country into a chaotic one. More than half of those in their teens and 20s don't even think unification is necessary – though they're taught to believe as much starting in fifth grade. But with more young South Koreans growing dubious about reunification, the government is trying to force an attitude adjustment. In recent weeks, it has launched an online-only sitcom and sponsored a network reality show with pro-unification themes. If the message proves persuasive, South Korea can prevent a 60-year-old consensus from devolving into an argument. Unification, the government's reasoning goes, would reunite families, stabilize the peninsula and – eventually – generate new economic potential in a country whose population would be 73 million instead of the current 49 million. Likelier, though, is that the taxpayer-funded campaign will do little to change minds, leaving the South with new questions about whether its quarrelsome neighbor should be viewed like any other foreign country, albeit one that shares the same language and poses a security threat. "Young people think the financial sacrifice will be huge," President Lee Myung-bak said in a recent interview. "That's why they may have negative emotions toward unification." Seoul's Unification Ministry, which handles North Korea policy, began a serious new-media push last year and ramped up those efforts this year. The ministry has always had a firm hand in the school curriculum, particularly at the elementary level. Fifth-graders, in their ethics class, receive a government-issued textbook titled "We Are One" that tells stories about North Korean life. "Sometime in the future," the book says, North and South Koreans will live together. A guide for high school teachers, issued by the Education Ministry, asks teachers to justify unification in a "systematic and rational way ... so that students will have a more positive view." "From primary school on, we are drawing posters and making slogans and writing essays for unification," said Yoon Jung-in, 24, a Seoul National University student who doesn't think unification is necessary. "We do all this before we even form our own judgments. We sort of skip a step." With its \$1.5 million new-media budget, the Unification Ministry this year has sponsored one television show and created another. The sponsored show, "Miracle Audition," resembles an "American Idol" for actors, with a panel of judges scoring contestants. Sometimes, the contestants perform in car commercials (Hyundai is a sponsor); sometimes they laud the virtues of a skin cream (because of another sponsor). In a recent episode, one actor created a 30-second public service announcement for unification that depicted a clothesline, strung with photographs of ordinary Koreans, stretching across a horizon. A government spokesman, Lee Jong-ju, said the public-relations push would promote the "dream and necessity" of unification. But some lawmakers have worried that portrayals of North Koreans could be too superficial or even derogatory. In one "Miracle Audition" challenge, contestants were asked to play spies. But, mostly, the content is thought-provoking. In one episode of the online-only sitcom, a family that has adopted a North Korean defector debates what would happen to the South's policy of mandatory military service if the country unifies with the North and the threat from the neighbor disappears. Two of the actresses in the sitcom are in their 20s. One, Choi Yoon-seul, 28, said she had never thought much about North Korea before landing the role; she hadn't needed to. But the other, Seol Joo-young, 24, had heard much about the North from her mother, who was born there. "For the older generations, unification was a lifetime goal," Seol said.

"My generation, or even younger kids, they might think it's an absurd thing to think about. But it's kind of like a handed-down wish – something we can do for our ancestors." (Chico Harlan, "Young S. Koreans Wary of Unification," *Washington Post*, October 17, 2011, p. A-6)

10/18/11 In a diplomatic white paper, South Korea's MOFAT said, "Without first defining North Korea's uranium enrichment plant as illegal at the U.N. Security Council before resumption of the six-party talks, it would be difficult to make actual progress toward denuclearization in the six-party talks." (Yonhap, "Seoul Skeptical of Nuke Talks Unless U.N. Acts on Uranium Enrichment," October 18, 2011)

10/19/11 The United States will resume exploratory talks with North Korea next week in Geneva and has appointed a full-time envoy with a background in nuclear issues, the State Department announced. The news media in North Korea reported, meanwhile, that the country's leader, Kim Jong-il, made rare comments on the possibility of resuming broader six-nation talks aimed at ending his country's nuclear program. The current American representative for North Korea policy, Stephen W. Bosworth, will be replaced by Glyn Davies, the United States ambassador to the International Atomic Energy Agency, said Mark Toner, a State Department spokesman. In the past, Davies held a senior position in the State Department's Bureau of East Asian and Pacific Affairs. "It's important to stress this is a change in personnel, not a change in policy," Toner said during a regular State Department briefing. Indeed, Korea specialists in Washington said that they would not read too much into the departure of Bosworth, 71, who has divided his time between his Korea duties and his position as dean of the Fletcher School of Law and Diplomacy at Tufts University. But the specialists said that the appointment of a full-time replacement could pave the way for more intensive contacts. The Geneva talks, set for October 24-25, will include both men as well as a North Korean counterpart, Kim Kye-gwan. Kim Jong-il's comments on the broader six-nation talks were included in remarks he made about his government's nuclear program; in content, they simply restated the North's well-known conditions for the resumption of the talks. Those talks collapsed in 2008 in a dispute over how thoroughly North Korea should reveal its nuclear activities and subject its nuclear facilities to outside inspections. **"Our principal position remains unchanged: that the six-way talks should be quickly resumed without preconditions,"** Kim said in a written interview with Itar-Tass of Russia, according to KCNA. It was the reclusive North Korean leader's third known interview with the foreign news media. Kim said that his government remained committed to the 2005 agreement setting up the six-nation talks, in which the North vowed to give up its nuclear assets in return for economic aid and a peace treaty and diplomatic ties with Washington. That seemed almost to anticipate a remark by State Department spokesman Toner, who said that the Geneva talks were "a continuation of the exploratory meetings to determine if North Korea is prepared to fulfill its commitments under the 2005 joint statement of the six-party talks and its nuclear, international, obligations, as well as take concrete steps toward denuclearization." Since six-party talks ended, North Korea has detonated a nuclear device and tested a long-range rocket that may one day be able to carry nuclear warheads. It also revealed an industrial-scale uranium enrichment plant, and it has increased hostilities with South Korea. That has left policy makers in Washington and

Seoul with few options: engaging North Korea in talks, even though it may use them to try to extract more economic concessions without giving up its nuclear weapons; or avoiding talks, risking a runaway North Korean nuclear program and more military tension on the Korean Peninsula. A concern has been that North Korea would try again to manipulate differences in the interests of the other countries in the talks to its advantage. But at this point, any differences are probably between China and Russia on the one side, and the United States, South Korea and Japan on the other, according to Jonathan D. Pollack, an East Asia specialist at the Brookings Institution. "It's fair to say that there have been some heightened pressures, particularly coming from the Chinese and the Russians, beseeching us to explore talks with North Korea again," Pollack said. A senior Obama administration official said, "If we don't engage, that could result in miscalculations by the North Koreans." The official, traveling with Secretary of State Clinton in Afghanistan, spoke anonymously under diplomatic protocol. Kim also repeated his government's longstanding position that the denuclearization of the "whole" Korean Peninsula was a dying wish of his father, Kim Il-sung, the North's founder. He said North Korea wanted to improve ties with the United States and Japan, but only if they abandoned their "hostile policy" toward North Korea. "We built our nuclear deterrent to protect our sovereignty in the face of the United States' blatant nuclear threats and its escalating hostile policy," Kim was quoted as saying. (Brian Knowlton and Choe Sang-hun, "New U.S. Envoy and North Koreans to Meet in Possible Prelude to Nuclear Talks," *New York Times*, October 20, 2011, p. A-11) The United States on Wednesday appointed a new special envoy to North Korea who will meet with representatives of the isolated regime in Geneva next week, the latest in a series of actions to renew talks that stalled years ago. The current envoy, Stephen Bosworth, will be replaced by Glyn Davies, who has been serving as the U.S. ambassador to the International Atomic Energy Agency. State Department spokesman Mark Toner called the replacement "a change in personnel but not policy." He said the goal of next week's meeting is "exploratory," to see whether North Korea is willing to follow through on promises made in 2005, before the multilateral talks on its denuclearization broke down. "We are not going to reward North Korea just for returning to the table, nor give them anything new for action they have agreed to take, but we want to see that they're committed to move the process forward," Toner said. The appointment of Davies – a lower-key and lower-profile figure – reflects a cautious approach by the Obama administration toward the renewed talks, said Victor Cha, a former Asian affairs director for the White House. The special envoy position, created by Obama when he took office, was meant to be filled by a high-level appointment who would serve as the president's direct representative for bilateral talks with North Korea amid worries over its nuclear weapons program. Bosworth, a prominent former ambassador who served a stint in South Korea, fit that bill. "Davies is a very competent diplomat, but not at that same level," said Cha, now a senior adviser to the Center for Strategic and International Studies. "It shows that they are trying to make North Korea policy a less politically charged issue." Meanwhile, the appointment of Davies represents a wider shift in the diplomatic approach by the Obama administration, said Michael Green, a National Security Council director for Asia during the George W. Bush administration. "When Obama was campaigning, he pledged to talk to foreign dictators without conditions. And so when he came in, you saw the appointment of several special envoys for the Middle East, for Afghanistan-Pakistan and North Korea,

all with limited success," Green said. "What this change to Davies represents is a kind of end of innocence in the Obama administration. Instead of the high-profile figures, you're seeing more undramatic, low-key, career guys. They want more control over the message, especially heading into an election year. They don't want any surprises." The real goal of engagement, experts say, is to prevent North Korea from making further provocations such as another attack on the South. "The U.S. knows that if you leave North Korea alone too long, they will rattle cages. And if that happens, South Korea is very likely to respond," Cha said. (William Wan, "New U.S. Envoy Will Meet with N. Korea," *Washington Post*, p. A-9)

Senior administration official: "What I want to say here is that we are making this effort again not because we have any new information from the DPRK but because we think it is important to keep the door open to engagement, to keep putting before them the list of things that we are looking for, and because one of the other pieces that we were looking for, to stay engaged bilaterally, has been going okay, which is that the North Koreans have been engaging with the South Koreans in bilateral talks. And as you remember, we said that a condition of our continuing to have bilateral talks with the DPRK, and to keep trying to work together on these issues, was that they were also working with our ally and their neighbor, the ROK. And as we had said to you when the meetings happened, they did have a constructive meeting with the ROK a few weeks ago, although there were no breakthroughs. So what we are doing here is meeting again to see how they absorbed what we said in July, and to see whether they have anything new to tell us about their intentions. And as Mark said very clearly, our policy on this hasn't changed. We will not go back to the Six-Party Talks unless we see a real commitment by them on the denuclearization side, and a continuation of their dialogue with South Korea. So we will see what they have to say when we see them in Geneva. But we believe that for a variety of reasons, it's important to keep the door open, keep explaining directly what it will take to get back to the Six-Party Talks, and to have them hear directly from us that without that kind of progress, we're not prepared to go back to the Six-Party Talks. And our concern is that if we don't engage, that could result in miscalculations by the North Koreans, as we've seen in the past. Sometimes when engagement has been broken off, it causes them to lash out in dangerous and unsettling ways. But again, we are not prepared to reward bad behavior and we are not prepared to move forward to the next stage unless they show a true commitment. So this is, **at this stage, an exploratory phase, and frankly, it's a management strategy.** ...**Q:** Well, the North Koreans have been saying for decades now that they want direct talks with the U.S., and you guys keep saying no. And then they go and blow up this South Korean ship and fire rockets on their island, and you say that this meeting is to prevent any similar miscalculations. How is that - but it's not a reward. That just doesn't make any sense. **A:** Again, this is not a negotiation. **Q:** I know, but it's a reward. You're giving them exactly what they want because you're worried that they're going to do something stupid. **A:** We are ensuring that they understand clearly from us what it's going to take to get back to the process that they say they want, which is the Six-Party process, and so that they can't assert that they don't - they're not being heard, that they don't know what is expected, that the parties are not engaged. That doesn't change the fact that we have worked out with our partners and we've all agreed on what it's going to take to restart that process. And it's going to take a

serious commitment to denuclearization on the North Koreans' part, and we haven't seen that yet. We'll see what comes in Geneva, but it'll be up to the North Koreans whether this can advance because they'll have to make some firm steps. **Q:** Was there something that changed with the South Koreans? Because up to now, the State Department mantra really has been they (inaudible). And now they're (inaudible). So did (inaudible) really switch? I know it didn't solve it, obviously, but what happened? **A:** Well, one thing that the South Koreans were very firm on, and that we were very supportive of, was that we needed to get back to North-South dialogue, which had been suspended and going not well for some time. And they have restarted that dialogue, and we wanted to ensure that the South Koreans were comfortable, that that concern of theirs was in a place where we could support also having a parallel U.S.-North Korean exploratory meeting. So they have to go in tandem, and I think our sense is that, from the South Koreans that their meeting again was constructive, although there were no breakthroughs, but that was something that had not been happening for a lot -- **Q:** You're saying that the July meeting didn't actually give you any new messages from the North Koreans that would lead you to think that that they are actually getting the message. It sounds -- **A:** Again, in July, we laid out in detail the kinds of things we'd like to see to demonstrate seriousness. So they've had some time to think about that. **Q:** So they didn't say anything new at that meeting. **A:** They needed to absorb the message. They've had some time to think about it. I think we'll see if they come with anything new in Geneva, and that will be a factor in whether we can move forward. **Q:** [Senior State Department Official], the fact that Glyn is going to be the new ambassador, I mean, Bosworth went through this hard time. I think by many accounts he wasn't that engaged, maybe because the process wasn't at the place where you could have someone full time engaging with North Korea. Do you anticipate because he is a career service officer, (inaudible) in Washington full time, do you anticipate him kind of deepening the role and expanding the role and perhaps engaging more regularly with North Korea, not on a negotiation phase but just on dealing with them on the panoply of issues, not just nuclear but, I mean, Bosworth was doing a lot of other things, food aid, that kind of stuff. Does this signal, I guess, greater - a plan for greater engagement with North Korea? **A:** I think, as I said, we're only in an exploratory phase and we won't be able to go any further with North Korea unless they begin to show movement on the nuclear docket. But one thing that I think Glyn will be able to do is to be in intense regular contact with all of our Six-Party counterparts on a regular basis. But again, if - this is a second meeting to see how they absorb the message of the first meeting, and we haven't committed to any further engagement, and we won't unless we see how this one goes, until we see. (DoS, Background Briefing by Senior Administration Official on North Korea, October 19, 2011)

DPRK FoMin spokesman: "Lately they have slandered the DPRK talking about 'repressive policy' and 'collapse.' This proves that the present administration has repugnancy toward the system in the DPRK as the preceding governments and the U.S. remains unchanged in its hostile policy toward the DPRK. The U.S. is dreaming of 'system collapse' in the DPRK, a solid and unique Korean-style socialist system rare to be found in the world, while comparing it with those countries that had been violated by it. This is an expression of its ignorance of the DPRK. The U.S.-style capitalist system is on the verge of collapse by the serious economic crisis in actuality, a system in which

human rights are seriously abused as evidenced by the harsh suppression of large-scale demonstrations demanding the right to existence. The U.S. is letting loose a spate of wild words hurting the dignified system of the DPRK even though it agreed to hold dialogue to build confidence while calling for the improvement of relations based on respect for sovereignty and equality. **This leaves the DPRK skeptical about the U.S. sincere willingness to hold dialogue.** It is talking about 'abandonment of nuclear program,' far from honoring its commitment as it is keen on 'system collapse' in the DPRK, its dialogue partner. **As long as the U.S. has not awakened from the foolish dream of 'system collapse,' the DPRK's Songun policy and its nuclear deterrent will continue to prove its validity and vitality.**" (KCNA, "Foreign Ministry Spokesman Rebukes U.S. Dream of "System Collapse" in DPRK," October 19, 2011)

North Korea has a second uranium enrichment facility in operation of the country's west coast, says National Assemblyman Park Sun-young of the Liberty Forward Party, citing a North Korean military official she claimed was in charge of security at the construction site. "North Korea has already been developing nuclear weapons using enrichment since 2007, switching from its plutonium production program. But the government has not been aware of this fact." She also said, "The Yongbyon facility has been almost emptied in preparation for monitoring." Officials said it is difficult to verify Park's claims. (Kim Eun-jung, "N. Korea Operating Second Uranium Enrichment Plant: Lawmaker," Yonhap, October 19, 2011)

Up to 200,000 political prisoners are languishing in North Korean prison camps, a sharp increase from 10 years ago, a United Nations envoy said. Compared to 2001, the latest satellite pictures of the country indicate a "significant increase in the scale of the camps," said Marzuki Darusman, the U.N. Special Rapporteur on the Situation of Human Rights in North Korea, in a report presented before the U.N. General Assembly. He noted that some of the prisoners are being held just for being relatives of other detainees. "I call on the authorities to move forward concretely and urgently on the release of political prisoners," Darusman said. (AFP, "Up to 20,000 Political Prisoners in N. Korea: U.N.," October 20, 2011)

The Pentagon says it has agreed with North Korea to resume – after a six-year break – the search for remains of U.S. servicemen unaccounted for from the Korean War. The deal was made Thursday after three days of negotiations in Bangkok. (Associated Press, "Pentagon Says It Has Deal for New Searches for U.S. Dead in North Korea from Korean War," October 21, 2011)

10/20/11

According to South Korea's Ministry of Unification (MOU), the "May 24 Sanctions" that went into effect after the sinking of the naval boat *Cheonan* was relaxed and began to permit the resumption of construction of businesses in the Kaesong Industrial Complex (KIC). In addition, plans to build fire stations and emergency medical facilities in the area are also currently underway. After South Korean Grand National Party chairman Hong Jun-pyo visited KIC on September 30, 2011, the ROK government has reached the following decisions: 1) to allow the resumption of halted factory constructions; 2) to build a fire station and emergency medical facility; 3) to resume repair work for commuting roads for KIC employees; and 4) to extend the operations of commuter buses. This means seven companies that received permits in the past to begin

construction but stopped after the sanctions went into effect would be able to resume the halted construction projects. According to the Ministry of Unification, the seven companies include three metal and machinery, three textile, and one electronic factories, taking up a total area of 103,527 square meters. The total site of production facilities of stage 1 businesses in the KIC reaches 2,171,900 square meters, in which the currently operating 123 companies take up 783,471 square meters. With the sanctions lifted, the total area of businesses in operation will reach 885,950 square meters. In addition, five companies awaiting construction for expansion will have to wait a little longer. The authorities announced to discuss this issue at a later date, looking positively on their construction to resume shortly as well. Also the MOU announced to push forward with the establishment of fire stations and emergency medical facilities, "to protect the properties and health of businesses and employees of the KIC. The plans to break ground for fire station will begin in mid-November and is expected to be completed by late next year." The layout for the KIC fire station was completed in December 2009 and 3.3 billion USD has been budgeted to fund the construction. The station will be constructed on a steel frame on a 3,305 square-meter lot with the total floor space to be around 2,182 square meters. The Kaesong Management Committee has been operating a "fire/police station" from April 2005. But with occurrences of accidental fires since last winter, it has reinforced the number of fire engines and manpower - currently at a total of eight fire trucks and 36 fire fighters. Medical facilities in the KIC will also be completed by the end of 2012 once the construction begins early next year. About 3 billion USD is set for this project. Currently at the KIC, Green Doctor's Cooperation Hospital is in charge of providing medical and health services in the KIC, with South Korea Green Doctor's Kaesong Hospital treating the South Korean employees and North Korean Comprehensive Clinic treating the North Korean employees exclusively. The South Korea Green Doctor's Kaesong Hospital is currently operated by volunteers at a clinic level. The hospital was in the process of improving the facilities to more than ten beds. However, this project was halted after the May 24 sanctions went in effect. On another note, the MOU also announced that maintenance work for the road connecting Kaesong City to the KIC would begin. The road is normally used by North Korean employees of the KIC. It was also announced that the number and operation of commuter buses would increase to help with the commute. The buses operate in the 20 km radius; the plan is to increase that to 40 km. Since September 2010, the number of buses increased to 400. (IFES, NK Brief, "South Korean Government Planning to Resume Construction of Factories and Relax Sanctions for Kaesong Industrial Complex," October 20, 2011)

10/17-20/11 An agreement reached between delegates to an informal U.S. conference on relations between North and South Korea recommended the three countries' governments abide by past nuclear weapons commitments and cooperate on providing food aid, reuniting separated families and recovering troops missing in action. In an exclusive interview with The Associated Press after the summit, a North Korean ruling party official said his country has pursued nuclear weapons because of the threat it believes it faces from the U.S. Ri Jong Hyok, a member of the Supreme People's National Assembly and vice chairman of a ruling Workers' Party organization that deals with countries without diplomatic relations with the North, said North Korea is not looking to be recognized as a nuclear power. "Let's imagine that in the future there is the

complete removal of economic sanctions and the threat isn't there anymore, the situation would be different," Ri said. He said he believes the Geneva talks will produce results if conditions aren't placed on future talks and if the mistrust North Korea has felt toward the U.S. in the past can be overcome. Han S. Park, a University of Georgia professor who has ties with top officials in both Koreas and who organized the meeting, told delegates at Thursday's closing meeting that when the conference opened he had a "a lot of anxiety, uncertainty and on my part some fear." He said he now feels proud of the accomplishments reached during the four-day meeting. The talks among academics, legislators and former government officials from the three countries were unofficial, and representatives from the U.S. State Department and the respective foreign ministers did not participate in the closed-door sessions. Ri was in attendance, however. (Associated Press, "Delegates to North-South Korea Relations Summit Call for Adherence to Past Nuclear Agreements," October 20, 2011) A senior North Korean official, who is on a rare trip to the United States, called on South Korea to roll back a set of punitive measures against Pyongyang imposed after the deadly sinking of a warship last year. Ri Jong-hyuk, ranking member of the all-powerful Korean Workers' Party, also accused the Lee Myung-bak administration of impeding the implementation of inter-Korean summit deals for cooperation and reconciliation in 2000 and 2007. "[The Lee government] should acknowledge agreements between North and South including the June 15 and Oct. 4 summit deals and it should not put a brake on efforts to implement them," Ri told reporters after a four-day academic forum hosted by the University of Georgia. Speaking about a joint statement issued after the forum, Ri said the document, albeit not legally binding, would be "very meaningful" in trying to build mutual trust between the two Koreas. The six-point statement recommends the U.S. and the two Koreas replace an armistice on the peninsula with a sustainable peace regime, cooperate on food aid and reunite separated families. It did not directly mention the Cheonan incident, saying only that the parties should take necessary steps to prevent the recurrence of such "unfortunate" incidents in the Yellow Sea. (Yonhap, "N.K. Official Urges Seoul to Lift Economic Sanctions for Inter-Korean Cooperation," October 20, 2011) In an exclusive interview with The Associated Press after the summit, a North Korean ruling party official said his country has pursued nuclear weapons because of the threat it believes it faces from the U.S. Ri Jong Hyok, a member of the Supreme People's National Assembly and vice chairman of a ruling Workers' Party organization that deals with countries without diplomatic relations with the North, said North Korea is not looking to be recognized as a nuclear power. "Let's imagine that in the future there is the complete removal of economic sanctions and the threat isn't there anymore, the situation would be different," Ri said. He said he believes the Geneva talks will produce results if conditions aren't placed on future talks and if the mistrust North Korea has felt toward the U.S. in the past can be overcome. (Associated Press, "Delegates to North-South Relations Summit Calls for Adherence to Past Nuclear Agreements," October 20, 2011) U.S.-South-North Track II meeting at University of Georgia agreed on following points: 1. We agree that the three countries should build trust through dialogue and promote mutual acceptance and respect for sovereignty and diverse systems. 2. We recommend that all concerned parties reaffirm their commitment to past agreements, particularly agreements entered into by heads of state. 3. We recognize the need to replace the current armistice with a permanent, comprehensive, and durable peace mechanism among all relevant parties. 4. Given

the unfortunate past incidents in the West Sea, **we emphasize that all concerned parties need to take necessary measures to prevent similar future occurrences.** 5. We recommend that the three countries should actively pursue humanitarian cooperation in the areas of food aid, reunion of separated families, and a joint recovery program with respect to MIAs. 6. We agree that the three countries should build trust through vibrant exchange programs in such areas as economy, culture, education, and technology. (Conference Statement, October 19, 2011) South Korea agreed twice to inter-Korean summit talks, but later broke both agreements of its own accord, a lawmaker said Wednesday, quoting Ri Jong-hyuk, a ranking member of the all-powerful Workers' Party of North Korea, who claimed that the sides agreed to a summit during a meeting between South Korean Presidential Chief of Staff Yim Tae-hee and Kim Yang-gon, the North's point man on the South, but Seoul later broke the deal, Rep. Park Joo-sun of the main opposition Democratic Party said. (Yonhap, "South Korea Said to Twice Break Agreement for Inter-Korean Summit: Lawmaker," October 26, 2011)

10/21/11

Wealthier countries need to put aside politics to help millions of North Koreans going hungry from food shortages, the U.N.'s top relief official said, renewing an appeal for assistance that has largely gone unmet. Speaking at the end of a five-day visit to North Korea, Valerie Amos, a U.N. undersecretary-general, said Friday that 6 million North Koreans, particularly children, mothers and pregnant women, need help. The figures, she said, are borne out by UN data and by what she learned from visits to farms, hospitals and orphanages, as well as from officials. "This is about helping the people who are most in need. It's not about saying that this country has made a choice about spending its resources in one way rather than another. We don't make those judgments in other countries, on humanitarian grounds. There's no reason to begin to do it in" North Korea, Amos told The Associated Press before leaving Pyongyang. Washington approved \$900,000 in emergency flood aid in August but has held back on approving food aid in part because Pyongyang is funding a nuclear program, renegeing on nuclear disarmament pledges. Key U.S. ally South Korea, which earlier in the last decade provided large amounts of food aid, stopped giving after its conservative president, Lee Myung-back, took office in 2008. U.N. agencies and humanitarian groups continue to have trouble monitoring how their aid is distributed – issues Amos said she raised with North Korean officials. She said she also discussed the "chronic poverty and underdevelopment" she saw. Still, she said, donors should not doubt the evident need for food aid. "Donors need to trust the information that they're being given. They need to trust what they're being told about the situation here," Amos said. Amos said she'd been given rare access to a government public distribution center, where rations that have fallen from 21 ounces (600 grams) a day to 7 ounces (200 grams) a day per person are handed out, as well as to a private market where more nutritious food is available at prices far beyond the means of most North Koreans. Amos said she made clear to North Korean officials that they need to provide better data to assess needs, but also that the North must take the lead in humanitarian work and fix the systemic problems underlying chronic food shortages, such as a lack of mechanization in agriculture. "The answer does not rest in the international community coming in as a result of an appeal and supporting the public distribution system through what we are able to do, particularly for those who are most

vulnerable," Amos said. "The government has to take responsibility," she said. (Associated Press, "UN Relief Chief Urges Donors to Put Politics Aside to Help North Korea's Hungry Millions," October 21, 2011)

10/23/11 Li Keqiang, China's vice premier and widely expected to succeed PM Wen Jiabao, visited the capital Pyongyang, a day before the United States and North Korea are due to meet in Geneva for their second round of direct discussions aimed at reviving the long-stalled negotiations. Li was accompanied by officials from China's foreign and commerce ministries, Xinhua said, but gave no further details of the agenda. "China is willing to work with North Korea to constantly deepen exchanges and cooperation," Li said in a written statement issued on his arrival, the Chinese Foreign Ministry said on its website (www.mfa.gov.cn). "China approves of North Korea's positive efforts to improve North-South relations and ties with the United States and to promote a restart of the six-party talks, and we're willing to continue playing a constructive role," Li added. (Chris Buckley, "China's Li Prods North Korea on improving Regional Ties," Reuters, October 23, 2011) Visiting Chinese Vice Premier Li Keqiang said October 27 that North Korea is willing to seek dialogue with South Korea and ease tensions on the Korean Peninsula in accordance with the principle of denuclearization. Li arrived in Seoul on the 26th for a two-day visit following a trip to Pyongyang earlier this week that included a meeting with North Korean leader Kim Jong-il. In Seoul, he met with President Lee Myung-bak and other senior officials. Li, the seventh-ranked member of the Politburo Standing Committee of the Communist Party of China is widely expected to succeed Chinese Premier Wen Jiabao next year. Li met with Parliamentary Speaker Park Hee-tae at the National Assembly to talk about ways to promote regional security on the peninsula. "I met with North Korean leader Kim Jong-il and other senior officials and stressed they should resume the six-party talks and move towards the denuclearization process for regional peace and stability on the Korean Peninsula and China," Li said, referring to his October 24 meeting with the North's leader. (Kim Eun-jung, "Chinese VP Says N. Korea Willing to Meet with S. Korea to Ease Tensions," Yonhap, October 27, 2011)

10/24/11 The two Koreas will hold a working-level meeting later this week to discuss resuming the joint excavation of an ancient royal palace in the North, sources here with an inter-Korean association of historians said. The group began the project to uncover the remains of Manwoldae, the royal palace of the Goryeo Kingdom (918-1392) in the North Korean border town of Kaesong in May 2007. But South Korea suspended the excavation three years later in May 2010 as part of its punitive steps against Pyongyang for the sinking of a South Korean naval ship. (Yonhap, "Koreas to Hold Working-Level Talks on Excavating Ancient Palace in N. Korea," October 24, 2011)

President Lee Myung-bak promoted Kim Chun-sig, a senior North Korea policy maker and veteran negotiator in inter-Korean talks, as vice minister of unification. "Kim's experiences and expertise as well as excellent performance were taken into account," the Blue House said in a press release. Minister of Unification Yu Woo-ik recommended Kim, it said. Known as "Mr. K," the 55-year-old civil servant has long been involved in inter-Korean dialogues. During the historic inter-Korean summit in 2000 between then-President Kim Dae-jung and North Korean leader Kim Jong-il, he

attended the meeting to record the dialogue. He also worked on the draft of the June 15, 2000 North-South Joint Declaration. He was in charge of various inter-Korean cooperation projects at the Unification Ministry under the Roh Moo-hyun administration. (Ser Myo-ja, "Veteran North Negotiator Promoted," *JoongAng Ilbo*, October 25, 2011)

10/24-25/11 U.S. and North Korean diplomats held two days of talks in Geneva. U.S. and North Korean officials completed a two-day round of talks after a delay of several hours on Tuesday with the goal of getting wider nuclear disarmament negotiations back on track and improving their strained relationship. The talks -- which had been scheduled to start at 0800 GMT -- were pushed back at the request of North Korea, the U.S. diplomatic mission in Geneva said in a brief statement that declined to elaborate. North Korean officials in Geneva declined to say why the two-hour morning session had been abruptly canceled. "After lunch the talks will proceed," a North Korean official told Reuters. Ambassador Stephen Bosworth, U.S. special representative for North Korea policy, arrived at 1030 GMT at the diplomatic mission of the Democratic People's Republic of Korea (DPRK) for a working lunch and an afternoon session, both sides said. The talks finished shortly before 1300 GMT. Bosworth, speaking to reporters in Geneva late on Monday after a first day of meetings and joint dinner, gave an upbeat assessment saying that the talks were "moving in the right direction," but that differences needed to be narrowed further. "I am neither optimistic nor pessimistic, but as I said we have made some progress, but we have issues still to resolve and we will work hard to do that," he said, giving no details. Bosworth was accompanied by Glyn Davies, the outgoing U.S. ambassador to the U.N. nuclear watchdog agency who has been named his successor, in the Geneva talks with North Korean First Vice Foreign Minister Kim Kye-gwan. (Stephanie Nebehay, "U.S. and North Korea Conclude Geneva Talks," Reuters, October 25, 2011) The United States ended two days of meetings with North Korea sounding upbeat about an eventual return to wider talks on ending Pyongyang's atomic programs but saying there was no immediate breakthrough. "It has been a very useful meeting," Bosworth told reporters outside the U.S. diplomatic mission in Geneva after his talks with North Korean First Vice Foreign Minister Kim Kye-gwan. "The tone was positive and generally constructive." He added, "I am confident that with continued effort on both sides we can reach a reasonable basis of departure for formal negotiations for a return to the six-party process." Bosworth said the discussions "touched on all issues," including humanitarian aid, but declined to say whether North Korea's contested uranium enrichment program was the focus. "We narrowed differences on several points and explored our differences on other points. We came to the conclusion that we will need more time and more discussion to reach agreement," Bosworth said, saying the two sides had a long history marked by "many differences," not all of which can be overcome soon. But U.S. State Department spokeswoman Victoria Nuland told reporters in Washington that, "while there's been some narrowing of differences, we haven't had any breakthroughs here and significant issues do remain." Kim, North Korea's lead nuclear negotiator, said the talks touched on how to build confidence. "Based on our previous talks, we held intensive discussions on ways to build trust in North Korea-U.S. relations," the North Korean official told reporters. (Stephanie

Nebehay, "U.S. Upbeat after North Korea Talks, but No Breakthrough," Reuters, October 25, 2011)

BOSWORTH: "I just want to say that we've had some very positive and I think generally constructive talks with the DPRK delegation over the course of the last two days. We narrowed differences on several points and explored our differences on other points. We came to the conclusion that we will need more time and more discussion to reach agreement in an effort to assess whether we have sufficient agreement to resume our active negotiations both bilaterally and in the Six-Party process. So we will go back to capitals and consult further and the two delegations will be in touch with one another through what is called the New York channel, that is the DPRK Mission to the United Nations. ... So it has been a very useful meeting. The tone, as I said, was positive and generally constructive. There is a long history of this relationship and we have many differences not all of which can be overcome quickly. But I am confident that with continued effort on both sides we can reach a reasonable basis of departure for formal negotiations for a return to the Six-Party process. I would be happy to take a question or two if any of you have one. **Q:** Was there any discussion about the UEP issue? **BOSWORTH:** I'm not going to get into the substance of the discussions. I'll talk about the content or the atmosphere. But I don't think it advances our enterprise to try to dissect our differences on specific points. **Q:** What are some of the differences that you narrowed? **BOSWORTH:** Well I think we narrowed differences in terms of what has to be done before we can both agree to a resumption of the formal negotiations. (Ambassador Stephen Bosworth, Statement on Talks with the DPRK Delegation," Geneva, October 25, 2011)

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DoS Daily Briefing: **Q:** As you know, the U.S.-DPRK talks have ended in Geneva. Can you provide any kind of a readout on them? **NULAND:** Well, Ambassador Bosworth gave a little bit of a press readout, I think, about two hours ago, let me -- **Q:** Emphasis on little. **NULAND:** Let me just pick up from there. We do consider that it was a constructive meeting, that all the issues were covered, as I said yesterday in going through the categories. There was some narrowing of differences, but important issues do remain. We now think that we've both got to go back to our capitals, we've got to evaluate what we've heard. And we have agreed that we will be in touch at an appropriate moment, and if there is more to say through the New York channel, or if there are other channels that we have. **Q:** One of the things that Ambassador -- **NULAND:** And I'm allowed to tell you that they had Korean food for lunch today. **Q:** Wow. (Laughter.) **NULAND:** Korean food in Geneva. **Q:** One of the things that Ambassador Bosworth said -- **NULAND:** The Koreans in the room are smiling. **Q:** At what restaurant? (Laughter.) **Q:** One of the things that Ambassador Bosworth said was that, he would agree that there was a need for more - to go back to capitals and consider this - and also for more discussion. Did that mean more discussions between the United States and North Korea or does that mean just more internal U.S.-U.S. discussions, North Korean-North Korean discussions about this? **NULAND:** Well, in the first instance, I think each side - each delegation has to go home, has to digest the exchange, has to analyze where we might go next. And that may take some time. In the second instance, as I said, while there's been some narrowing of differences we haven't had any breakthroughs here and significant issues do remain. **Q:** So - but what I didn't

understand and what I still don't understand is whether there's any agreement for further discussions or not. And if - so is there an agreement for further discussions between the United States and the North or not? You're just going to go back to capitals and think it over? **NULAND:** What they agreed at the end of the session was that we would go home and digest, analyze, work with our governments, see where to go, and that we would be in touch with each other. But no onward meeting has been set; although, we haven't closed the door on it either. I think we need some digestion time. **Q:** And just the last thing. He said that if you were going to be in touch it would be via the New York channel. Are you holding out the possibility of other contacts aside from via the New York channel? **NULAND:** No. I think that's the primary point of communication about next steps. **Q:** One of the explicit points of this meeting in Geneva was to discuss the potential for Six-Party talks. Is that something that's closer today after this meeting? **NULAND:** Well, again, just to say, we've narrowed the differences but there is quite a bit of work still to do. I think you know where have been on the Six-Party talks; first, that the North-South dialogue needs to continue; and second that we need to see real concrete steps, concrete commitments by the North Koreans on their nuclear obligations. So these were obviously both subjects that were discussed and differences narrowed but more work to do. **Q:** Did the North Koreans give assurances on denuclearization? **NULAND:** I'm not prepared to characterize the discussions in any more detail than I have. Certainly, just to say, that we've narrowed the field but there is more work to do. **Q:** Well, at first you said that there was some narrowing of differences, and then you just said right now they'd narrowed the differences. **NULAND:** Let's keep the "some" attached to the -- **Q:** Okay. But are we talking about on substantive things or are we talking about like the lunch menu? **NULAND:** We're talking about some narrowing of differences on substantive issues. Some. **Q:** And the substantive issues would be those which we are already aware of -- **NULAND:** Correct. **Q:** -- that nuclear issue, what they need to do with the South -- what else is there? **Q:** Holding up their end of the bargain - the end of the bargain - holding up their commitments and making positive gestures to the South. Is that what we're talking about? **NULAND:** These are the issues that we talk about when we saw them in July. These are the issues we -- **Q:** Yeah but that - those are where the differences have been narrowed? **NULAND:** Correct. Correct. Some narrowing. **Q:** Toria, also on North Korea. The UN had - I wasn't here yesterday so I'm presuming you didn't get into this - the head of Humanitarian Issues for the United Nations says that - I believe it's 6 million people in North Korea are in very dire straits concerning food. Is there any - and of course the implication is that it's being held up for political purposes - is there any update on what the situation is in terms of providing food aid? And could you address that issue of whether it is politically being held up? **NULAND:** Well, first of all let me just reiterate again that we do not connect the issue of humanitarian assistance to other issues of policy, politics, our relationship with North Korea. The humanitarian - the food aid decision - will be made on the basis of the criteria that we've discussed many times here: our assessment of the need, and we are working with the UN and with nongovernmental organizations and with other governments that look at this issue on the need; our assessment of the need in North Korea as compared to the need globally, because we have to balance food aid, and as you know we're providing massive amounts of food aid in the Horn of Africa and elsewhere; and then the third issue, if and when we were prepared to move forward, we would have to settle some

of these monitoring issues that have plagued the program in the past to ensure that if we do give food aid, it goes to those truly in need and isn't stockpiled, et cetera, or misallocated. So we haven't made any decisions on food aid. We didn't make any decisions in this context. I will tell you, as I said yesterday, that the humanitarian situation was discussed, but we haven't made any decisions. **Q:** Can you address comments by named officials from NGOs, who have argued that they believe that the United States is holding up its decision on this for political or policy reasons that have nothing to do with the factors that you just cited, and that they do not believe that the monitoring and evaluation issues are really the holdup here, that they feel like for the most part these have been adequately addressed? How do you respond to that? **NULAND:** We reject those assertions. We do not connect these issues. And were we to go forward, we would have - have to have significant and detailed discussions about monitoring, which we have not yet had. **Q:** Why have you not had those discussions yet, given that there are reported to be millions of people starving here? I mean, where - what discussions do you need to have that you haven't had yet, or why haven't you had those discussions yet? **NULAND:** Because we are continuing to evaluate the need, working with our partners, working with international organizations. As I said, this issue did come up; the humanitarian basket of issues did come up. We'll be evaluating what we heard, but we are not prepared to make a decision at the moment. **Q:** So just so I'm clear on this, you evaluate the need and the competing needs elsewhere - and this is always the position that the U.S. Government has said - and only then do you look at the question of the monitoring and evaluation? So that if you determine that, yes, there are sufficient numbers of people starving and they do, indeed, merit U.S. assistance, even in comparison to the needs of other starving people around the world, only then do you commence the discussions on monitoring and evaluation? **NULAND:** Well, we've obviously done a lot of work to evaluate lessons learned from the last time we did food aid, where the monitoring was insufficient, and to think about what we would need to do to reassure ourselves, reassure the American people, that the aid was going to the right place and to ensure that it have impact. So we have a very good idea of the kinds of things that might be needed. But you would not get into those discussions with the host government until you had made a decision in principle to go forward, because otherwise it doesn't make any sense. So again, we had a humanitarian discussion in the context of this round. We haven't made any decisions. We have to evaluate what we've heard, and we will get back to you when we have more to say. **Q:** And just so I'm clear, I mean, you said we have not had the discussion on monitoring and evaluation. You're absolutely convinced that - you're certain of that, you haven't talked about that at all? **NULAND:** We have not had a detailed discussion of these issues. **Q:** So you may have had a discussion, just not a detailed one? **NULAND:** I think I stand by what I just said. ...**Q:** -- it's been months since these aid groups have talked about a dire need in North Korea. Does that mean that the United States doesn't see it as an - as urgent of an issue as they see it? **NULAND:** Again, we are continuing to evaluate the need. We're continuing to talk to everybody, including these aid groups, and we'll let you know when we have a decision to announce. **Q:** When you brought up the Horn of Africa and competing needs, are you suggesting that the U.S. food aid to North Korea might be hampered or constrained in some way because of the amount that you're sending to the Horn? **NULAND:** No. I didn't mean to make that - draw that direct link. I simply said that we look at the full global ... need

in making these decisions. It's one of the factors that goes into our decision making. **Q:** And in terms of monitoring, in the Horn of Africa, you've actually relaxed restrictions on where that food aid can go, who can get to it, because there were concerns from NGOs about al-Shabaab getting control of it, using it to feed themselves instead of the people who really needed it. It seems to me roughly - there is a foreign terrorist organization. In North Korea, you're talking about the army. North Korea is no longer a state sponsor of terrorism. Why are you willing to ease the rules to get food quickly to Somalia and the Horn of Africa and not to North Korea? It seems to me to just fly in the face of the rejection of - that this is a political argument. In other words, if you're prepared to ease the rules to get food to one place, why aren't you prepared to do the same for another place, unless it is a political decision? **NULAND:** Again, if and when we make a decision to move forward with this, we have to have an agreement with the Government of the DPRK how the monitoring will go. DPRK is a government entity that controls its borders, controls access to its population. ... We have an opportunity here to have an agreement that can satisfy us, if and when we decide to move forward. In the context of al-Shabaab, there's not a partner that's reliable that you could negotiate with. The circumstances are apples and oranges. ... **NULAND:** We haven't made any decisions yet, either about food aid or about what'll be required on monitoring. What we have looked at was the insufficiencies of the regime the last time we did this. ... **Q:** It seems to me if there are people starving in two places and you're willing to ease the rules to go give food to one place, you might as well - the only reason you wouldn't be willing to ease the rules to go to another place is that it's a political reason, which is fine. It just seems to me odd that you deny it when it appears clearly that that's what's the case here. **NULAND:** If and when we decide to go forward with this, we want to make sure that the food goes to the people who need it, not to the regime, and not to go locked up in storehouses. So if and when we get to that stage, that'll be the conversation that we will have. It's not a matter of easing or tightening; it's a matter of having an agreement about how we get it to the right people. **Q:** But you're okay if Shabaab gets some of the food that - U.S. food that -- while they blow up things and attack. **NULAND:** We are doing everything we can with our NGO partners to work with those who are reliable and to try to get the food to as many people as they can. **Q:** Well, I thought there was this big announcement, not so long ago, about how the restrictions were being eased and how NGOs wouldn't be punished if -- **NULAND:** That's - no, but see, that's a different matter, Matt. Because what we're talking about in the case of Somalia is that we have issued more licenses to more U.S. NGOs -- after working with them individually -- on their chain of custody of aid -- and on the procedures that they use. So in that case, the negotiations have gone forward with the NGO groups to our satisfaction, so what we been easing is that we've been giving more licenses to more groups as they establish their ability to make sure it gets to people in need. **Q:** So why don't you do the same in North Korea? **NULAND:** Again, if and when we make that decision, we'll have a conversation about how we ensure chain of custody on the - **Q:** Does the United States agree that people are starving in North Korea? **NULAND:** We are continuing to evaluate the need situation in North Korea. Are we - **Q:** Is the purpose of U.S. food aid to ease human suffering abroad? **NULAND:** Yes. **Q:** Okay. So we've established that. If - given that it is your intent in food aid to ease human suffering abroad, why, as a matter of common sense, would you not engage on both tracks at the same time; track one being figuring out what the need is

and what the competing needs are, and track two being, look, if we're going to go ahead and do this, we need to make sure that there is proper chain of custody and we have adequate monitoring and evaluation safeguards in place, so that once you make the decision on point A, there is no extended period of time for where people are going to continue to starve, and at a rate, apparently, worse than elsewhere in the world before food arrives? Why, as a matter of common sense, if the intent is to reduce human suffering, you wouldn't do both? **NULAND:** Well, we're certainly proceeding on both tracks with regard to our internal review - first of all, evaluating the need, secondarily establishing what we will need to ensure this program is successful and meets people in need if we go forward. With regard to having a detailed conversation with the government, that only makes sense if you are going to proceed to go forward, because otherwise you raise expectations when we haven't made a decision with regard to need and with regard to moving forward. **Q:** Well, how does it raise expectations if you say, "Look, we haven't made a decision here. So don't get your hopes up. But if we do make a decision, we don't want there to be this lengthy period of time between when we make up our minds and we negotiate a monitoring and evaluation protocol, during which time, presumably, there will be more human suffering than there would have been if you guys had the bandwidth to do this at the same time"? **NULAND:** Let me just say that the way this could and should proceed, if and when we're going to go forward, is relatively straight forward and relatively easy to implement with goodwill on the receiving side. So it's not as if we think that we would need to have an extensive negotiation if, in fact, the partner country is prepared to let the goods go to the right people. So I don't think that one should be looking at this as a potential to delay if and when we make the decision, and it's not as if we have never had a conversation with North Korea about what went wrong the last time and what we consider to have been substandard procedures in the past. (DoS Daily Briefing, Spokeswoman Victoria Nuland, October 25, 2011)

North Korea has invited a coalition of South Korean non-governmental groups to visit the impoverished state, a civic leader said Tuesday, amid a reportedly deteriorating food situation. Park Hyun-seok, secretary general of the Korea NGO Council for Cooperation with North Korea (KNCCNK) that comprises more than 50 groups, said coalition representatives were invited to Pyongyang to discuss overall issues from Wednesday to Saturday. Seoul, which must approve travel to the Stalinist state, denied the request, citing a lack of monitoring. (Kim Young-jin, "N. Korea Calls for Talks with NGOs," *Korea Times*, October 25, 2011)

10/26/11

The ruling party's bruising defeat in today's by-election for Seoul mayor represents yet another blow to the unpopular party, a setback to its leading presidential contender and, more broadly, a punishment of the existing political establishment, analysts said. With nearly all ballots counted, opposition-backed candidate Park Won-soon, a lawyer-turned-activist, defeated his rival Na Kyung-won of the ruling Grand National Party (GNP) to win the mayoralty with 53.3 percent of the vote against Na's 46.3 percent. Park, 55, will succeed former Mayor Oh Se-hoon who voluntarily quit in late August after losing a high-stakes referendum on an opposition-led free school lunch program. He will serve out Oh's remaining term of two and a half years. The GNP has a solid majority of 171 seats in the 299-member parliament. But many experts say the party

could lose control of the parliament in next year's elections amid voter discontent with the administration of President Lee Myung-bak and perceptions that the party has done little to care for ordinary people. Analysts and media dubbed this week's election a "proxy battle" between the two, as Park Geun-hye campaigned on behalf of her party's candidate Na -- an unusual move that breaks away from her usual hands-off approach to party affairs -- and Ahn gave up his mayoral bid to give way for Park Won-soon. Ahn, a former medical doctor, gained fame in the 1990s after establishing South Korea's No. 1 anti-virus software firm. He is widely popular, especially among young Koreans, due largely to his clean and upright image. After Ahn suggested he might run for Seoul mayor, he immediately took an unrivaled lead in opinion polls. But Ahn later decided not to run, saying he would instead back Park Won-soon. Even after he withdrew his mayoral bid, Ahn remained hugely popular. A survey last month put Ahn slightly ahead of Park Geun-hye, a shocking result that marked the first time in years that she had lost her lead as a presidential contender in any popularity surveys. That suggested Ahn could be a serious challenger in next year's presidential vote, even though he has denied having ambitions for the top office. Park Won-soon's win in the vote is a setback for Park Geun-hye, analysts said. "Park Geun-hye worked hard to help Na, but the result was bad," said Kang of Seoul National University. "I think this will deal a blow to her." The result is also expected to weaken the president ahead of his final year in office. The election came amid a series of corruption scandals involving presidential aides as well as allegations of irregularities in a controversial project to build a retirement home for Lee, and the ruling party could blame Lee for its defeat. "The margin of votes was unexpectedly big in the Seoul mayoral election ... We will try to fathom the meaning of the election results," a senior presidential official said. "But there still remain things we should work on and we will continue to carry them out." (Chang Jae-soon, "Seoul Mayor Election Deals Blow to Ruling Party, Its Presidential Contender," *Yonhap*, October 27, 2011) People in their 20s, 30s and 40s were united in Seoul in voting for Park Won-soon. What brought together two generations was anxiety over their futures. Song Ho-keun, a professor of sociology at Seoul National University, said, "The incumbent administration was popular with young Koreans when it was launched, but it failed to present them with hope for a future and only compounded their anxieties." A study by the East Asia Institute early this year of political attitudes across different age groups showed that 65.4 percent in their 20s, 79.7 percent in their 30s and 64.6 percent in their 40s are anxious about the future. Those figures mirror voter turnout in support of Park, with 69.3 percent in their 20s, 75.8 percent in their 30s and 66.8 percent in their 40s. (*Chosun Ilbo*, "Younger Vote Reflects Quest for Change," October 28, 2011)

A government committee urged South Korea to put pressure on North Korea to try to bring home hundreds of its nationals held in the communist country. South Korea says North Korea kidnapped 517 civilians, mostly fishermen, following the 1950-53 Korean War, which ended in an armistice, not a peace treaty. The kidnap victims include Shin Sook-ja and her two daughters, who are believed to be held in a North Korean political prison camp, according to the committee that has handled the issue for nearly four years. South Korea "should exert pressure on North Korea to ensure the repatriation of abductees or determine their fate," the committee said in a report published today. The committee affiliated with the prime minister's office also called on the government

to seek international support to better deal with the abduction issue. (Yonhap, "S. Korea Calls for Pressure on N. Korea to Resolve Abduction Issue," October 27, 2011)

Defense Secretary Leon Panetta said he is skeptical that diplomacy will push North Korea to give up its nuclear program, and he raised the prospect of the North's stance leading to "escalation and confrontation." In a question-and-answer session with reporters after meeting with South Korean government leaders, Panetta said he was concerned that North Korea is deliberately alternating between periods of modest accommodation with the West and episodes of violent aggression, perhaps with no real intention of surrendering its nuclear ambitions. Asked whether he is skeptical about a renewed effort by the Obama administration to explore a possible new round of international negotiations over the North Korean nuclear program, Panetta said, "We're not sure where those talks are headed at this point." Discussions held this week in Geneva by American and North Korean diplomats produced no apparent breakthrough. "For that reason, I guess the word 'skepticism' would be in order," he said. Separately, the State Department's top Asia policy official, Kurt Campbell, was in Seoul Thursday to brief officials on the Geneva talks. North Korea's foreign ministry issued a statement saying the talks "helped deepen each other's understanding," and said both countries agreed to further talks on whether to resume the six-party denuclearization talks involving North and South Korea, Japan, China, Russia and the United States. Panetta said, "There are moments when we think that they are urging North Korea to engage, but frankly I think China can do more to try to get North Korea to do the right thing." China is a longtime North Korean ally. "I know that sometimes they make that effort and sometimes North Korea doesn't pay attention." Panetta's visit to South Korea – his first as secretary of defense – is part of a broader Obama administration effort to shore up South Korean confidence in a military alliance that has endured for six decades. Panetta met with the South Korean defense and foreign affairs chiefs and paid a courtesy call on President Lee Myung-bak. In parallel talks, the new chairman of the U.S. Joint Chiefs of Staff, Army Gen. Martin Dempsey, and top officers from the U.S. Pacific Command met with top South Korean military officers for an annual review of the U.S.-South Korean military alliance. Panetta is to attend a second round of alliance talks Friday before flying home. Panetta has called the North "reckless" and a "serious threat" to peace on the Korean peninsula, which exploded in war in 1950 and drew the U.S. and other nations into a bloody three-year conflict against the North and China. Panetta was asked what can be done to break a cycle of North Korean behavior in which it alternately makes gestures of accommodation to the West, followed by provocations. "The cycle ultimately has to be broken," he said. "There is either going to be an accommodation where they decide to make the right decisions with regards to their future and join the international family of nations ... or, if they continue these provocations, then obviously that's going to lead to the possibility of escalation and confrontation." Among the maneuverings that influence U.S. thinking about the security threat posed by North Korea is the process now under way in which the supreme leader, Kim Jong Il, is expected to turn over the reins of power to his son, Kim Jong Un, a newly minted four-star general believed to be in his late 20s. U.S. officials are unsure what timeline has been set for the leadership succession, but two senior American military officers in Seoul said it appears the process has slowed, possibly because Kim Jong Il's health problems seem to have eased. The officials

spoke to a group of reporters on condition of anonymity because of the sensitivity of the topic. **The officials, who are privy to the latest intelligence assessments, said North Korea's recently more accommodating approach to the U.S. is judged to be only a tactical maneuver, likely to be followed next year by North Korean demands for concessions.** That would follow a decades-long pattern of North Korean behavior in which unmet concessions lead to a period of provocations, such as the 2006 nuclear test that came just months after the North cut off nuclear disarmament talks. The U.S. officials declined to say whether they believe the North can be persuaded to give up its nuclear weapons, but their analysis of the North's basic approach to the West strongly suggested they do not expect it to change course. (Associated Press, "Pentagon Chief Says He Doubts North Korea Will Give up on Nuclear Ambitions," October 27, 2011)

10/27/11

DPRK FoMin spokesman: "The second round of the high-level talks was held in Geneva, Switzerland on Monday and Tuesday between the DPRK delegation led by First Vice-Minister of Foreign Affairs Kim Kye Gwan and the U.S. delegation led by Special Representative for DPRK Policy Stephen Bosworth. The talks that took place in the wake of the previous ones held at the end of July helped deepen each other's understanding and made a series of progress. **Both sides decided to further DPRK-U.S. contacts and talks to discuss and solve the pending issues in the light of building confidence.** The DPRK side **remains unchanged in its stand to resume the six-party talks at an early date without precondition** to implement the September 19 joint statement for the denuclearization of the Korean Peninsula in a comprehensive and balanced manner on the principle of simultaneous actions." (KCNA, "Foreign Ministry Spokesman on DPRK-U.S. High-level Talks," October 28, 2011)

"I guess the word skepticism would be in order at this time as to what may or may not happen in those discussions," Panetta told reporters in Seoul "There is a history here of accommodation and provocation," he said. "And there are periods when we are hopeful that we might be able to achieve some diplomatic progress in eliminating their nuclear program. And then, for whatever reason, we're not successful, and suddenly we enter a period of provocation in which they take steps that threaten not only the security of Korea but threaten the security of the United States." (Elisabeth Bumiller, "North Korea Is Talking, But Panetta Is Skeptical," *New York Times*, October 28, 2011, p. A-6)

SEC. PANETTA: "With regards to North Korea and the issue of denuclearization -- that's the word? On the denuclearization, obviously this is very important for North Korea to address if we're hopeful of trying to establish better relations for the future. And it's no secret that denuclearization means that they have to stop testing. They have to stop developing weapons. They have to stop enriching in violation of international rules and requirements. And they have to allow the IAEA to be able to go in and inspect those facilities. So all of those areas that have to be addressed and I think are in the process of being discussed with the North Koreans." (Joint Press Conference of Secretary of Defense Leon Panetta and Korea Minister of Defense Kim Kwan-jin, Seoul, October 27, 2011)

10/28/11

At the 43rd Security Consultative Meeting (SCM), South Korean Defense Minister Kim Kwan-jin and Secretary of Defense Leon Panetta said they will complete the "South Korea-U.S. Counter-Provocation Plan" this year. "We reaffirmed our determination that we will respond resolutely against any future provocation or infiltration by North Korea," Kim said at a press conference following the talks. "We will complete our counter-provocation plan this year to establish effective response mechanism against North Korean provocations. It will display our strong willingness to strike back if North Korea carries out provocations and to stage effective joint response not only in the case of an all-out war but of provocations." Kim said the U.S. pledged to provide "overwhelming reinforcements" in contingencies on the Korean Peninsula and to maintain the current level of the U.S. forces in South Korea in a display of its firm commitment to the defense of the South. Panetta noted that North Korea "remains a serious threat" and the U.S. "continues to be fully committed to the security" of South Korea. "Together, we will ensure a strong and effective alliance deterrence posture, including the U.S. nuclear umbrella, so that Pyongyang never misjudges our will and our capability to respond decisively to nuclear aggression," Panetta said. "Our view is that we have an alliance between the U.S. and the ROK (South Korea) and that we can provide strong and effective responses to those kinds of provocations if we work together and develop the kind of coordinated response that we think is necessary." In a joint statement issued Friday, Kim and Panetta said they "thought highly" of the development of the joint operational plan. "The minister and the secretary reaffirmed that continued close bilateral planning for various scenarios, as well as extensive combined training and exercises, were critical to adequately prepare for future challenges on the Peninsula," the statement read. (Yoo Jee-ho, "S. Korea, U.S. Agree to Complete Joint Operational Plan against N. Korea This Year," Yonhap, October 28, 2011)

Fears of stagflation are rising after South Korea's economy posted weaker growth for two consecutive quarters amid high inflationary pressure. As the economy decelerates, mostly because of the effect of global economic turbulence on exports, the central bank hinted it may be difficult for the Korean economy to reach this year's target of 4.3 percent. However, the central bank strongly denied that the economy was entering a recession, insisting that exports continue to show solid growth and that the economy would likely fare better in the fourth quarter. According to the Bank of Korea, the nation's gross domestic product between July and September inched up 0.7 percent from that of the previous quarter. Not only was the third-quarter growth slower than the 0.9 percent posted in the second quarter but it was lower than the BOK's earlier estimates of 1.5 percent. Compared to a year earlier, the economy grew 3.4 percent, the same as in the second quarter. That is the lowest on-year growth rate since a 1 percent expansion in the third quarter of 2009. "Third-quarter growth turned out to be lower than what we had expected," said Kim Young-bae, head of the BOK's economic statistics department.

"Investments in facilities grew at a lower level than we expected as companies postponed investment plans as uncertainties expanded," Kim added. "Consumer spending also saw slower growth because of high inflation and rising home rents while the stock market panicked over the deepening global economic crisis," Kim added. Investment in the private sector fell 0.4 percent from the previous quarter, while

consumer spending grew 0.6 percent, slower than the 0.9 percent growth posted in the second quarter. "At the current pace even if the economy posted strong growth in the fourth quarter, it seems it would be difficult to achieve 4.3 percent growth," the BOK official said. (Lee Ho-jeong, "Growth Slows, Prices Rise, Stagflation Fears Grow," *JoongAng Ilbo*, October 28, 2011)

The Obama administration has now met with the North Koreans twice and appointed two new top envoys for North Korea policy, but it has not yet consulted with Capitol Hill and has no plans to seek confirmation of the two new officials. Glyn Davies, the newly appointed special representative for North Korea policy, attended the Oct. 24 and Oct. 25 talks in Geneva with North Korean government officials, along with his predecessor, outgoing Ambassador Stephen Bosworth. But Davies, who previously served as ambassador to the International Atomic Energy Agency (IAEA), **will not have his title of "ambassador" carry over to his new position**, because the State Department has no intention of putting him before the Senate for confirmation. Clifford Hart is the new special envoy to the (now defunct) Six Party Talks on North Korea's nuclear program, the second-ranking U.S. diplomatic position toward North Korea. He also does not enjoy the title of ambassador, because he was not put before the Senate for confirmation. His predecessor, Sung Kim, was confirmed as ambassador to South Korea, and is now on his way to Seoul. All of the previous top diplomats dealing with the North Korea issue were ambassadors. Robert Gallucci, Chuck Kartman, Jim Kelly, Jack Pritchard, Joe DeTrani, Chris Hill... you get the idea. Not all went through Senate confirmation for their North Korea jobs; some, like Bosworth, were able to keep their ambassador titles from previous gigs if they had reached a certain rank. Davies hasn't reached that level. But regardless of whether Davies and Hart will actually hold the ambassador title or face a Senate confirmation process, many on Capitol Hill concerned with U.S. policy toward Northeast Asia are unhappy with the fact that neither Davies nor Hart has met with any senators, that there have been no Hill briefings on the administration's new engagement with the North Koreans, and that Senate staffers who have worked on the issue for years had to learn about the new developments through the press. "State has not reached out to us on these appointments," one Senate aide told *The Cable*. "They have responded to our requests for briefings on food aid, and they have generally been responsive for briefings *when we asked*. But there has been no outreach at their initiative ... which helps explain, I think, why they had the House move to prohibit food aid and why they now face a lack of confidence up here, more generally, about their approach." After multiple rounds of negotiations between *The Cable* and various State Department offices, State declined to give us a comment for this story. The law doesn't require that the North Korea special envoy be confirmed. There are laws that require other envoys be confirmed, such as for the special envoy for North Korean human rights, now filled by Ambassador Bob King, and the special representative and policy coordinator for Burma, now held by Derek Mitchell. Hill aides point out that the jobs of North Korea special representative and special envoy for the Six Party Talks came out of what's known as the Perry Process, an interagency policy review of U.S. policy toward North Korea in 1998 that was led by then-State Department counselor and now Undersecretary of State Wendy Sherman. One of the key recommendations that came out of the Perry Process was that the U.S. government should have "a small, senior-

level interagency North Korea working group ... chaired by a senior official of ambassadorial rank, located in the Department of State, to coordinate policy." Another recommendation of the Perry Process was that the administration should develop its North Korea policies on a bipartisan basis, in consultation with Capitol Hill. "Just as no policy toward the DPRK can succeed unless it is a combined strategy of the United States and its allies, the policy review team believes no strategy can be sustained over time without the input and support of Congress," the Perry review team, led by Sherman, wrote. So why won't the administration keep Congress in the loop on what it's doing with the North Koreans? One Asia hand in Washington told *The Cable* that the administration doesn't want a public debate over its North Korea engagement, which is not likely to produce dramatic results and could be a political liability in an election season. "They're definitely avoiding going to the Hill with these guys because they're afraid of criticism and they're afraid the senators are going to use it to criticize where the policy is now," the Asia hand said. "It's all part of their management approach, where you keep everything low key and don't want everybody to know what you're doing." Former National Security Council Senior Director for Asia Mike Green argued in an article for *Foreign Policy* last week that the Obama administration is downgrading the prominence of its North Korea diplomats in order to lower expectations for the new engagement, and to keep the podium away from more senior diplomats who might act more independently. "High profile special envoys and message discipline tend not to go together, and the Obama White House is clearing the decks for a major fight for the presidency next year," Green wrote. "Lower key professionals make sense at a time when North Korea is unlikely to yield much ground." Perhaps the administration doesn't want senators to bring up this 2008 column by the *Washington Post's* Al Kamen, where he reveals that Davies worked to water down language criticizing North Korea in an internal e-mail. Here's the relevant portion of the column: "So on Friday, *Glyn Davies*, the principal deputy assistant secretary in the East Asia bureau, sent an e-mail to *Erica Barks-Ruggles*, a deputy assistant secretary in the DRL bureau, regarding some changes in the introductory language of a report on North Korea. 'Erica,' he wrote, 'I know you are under the NSC [National Security Council] gun,' apparently to get the report done so the NSC can review it, "but hope given the Secretary's priority on the Six-Party Talks, we can sacrifice a few adjectives for the cause. 'Many thanks. Glyn.' And the changes? Eliminated words are in brackets, and additions are in italics: 'The [repressive] North Korean *government*[regime] continued to control almost all aspects of citizens' lives, denying freedom of speech, press, assembly, and association, and restricting freedom of movement and workers' rights. Reports of extrajudicial killings, disappearances, and arbitrary detention, including of political prisoners, continue to emerge [from the isolated country]. Some forcibly repatriated refugees were said to have undergone severe punishment and possibly torture. Reports of public executions *continued to surface*[were on the rise].'"As Hemingway might have written: For Whom the Kowtows? (Josh Rogin, "Obama Administration Ignoring Congress on New North Korea Policy," *The Cable*, October 28, 2011)

10/28/11

The Grand National Party's defeat in the Seoul mayoral by-election has scared the party off from pushing through the Korea-U.S. free trade agreement, and its ratification is more imperiled now than ever. Emboldened by their win in the by-election, the

liberal opposition has become even more steadfast in resisting the agreement, which they say will hurt farmers and small Korean businesses. Democratic Party Chairman Sohn Hak-kyu proposed the ratification should be delayed until after the results of next April's general election are known. No committee meeting was scheduled for yesterday to approve the ratification motion and send it to the main session, so the floor vote did not take place. The GNP says it wants the ratification to be done in early November. The next main session is scheduled for November 3. The GNP has the majority in the legislature, enough to approve the deal alone. But five liberal opposition parties including the Democratic Party and the Democratic Labor Party agreed to join hands to fight a railroading of the bill by the GNP, including the use of physical force. A new TV advertisement created by the Lee administration to urge the ratification also enraged the liberals because it used the voice of the late former President Roh to promote the trade deal. The 40-second-long ad began with Roh's voice saying, "My fellow Koreans, it is negotiated only for the sake of economic gains." A voiceover says, "The Korea-U.S. FTA, started by President Roh Moo-hyun, will be concluded by President Lee Myung-bak." The liberals immediately demanded the ad to be pulled. (Ser Myo-ja, "After Seoul Loss, GNP Pulls back on FTA Approval," *JoongAng Ilbo*, October 29, 2011)

Defense Secretary [Leon E. Panetta](#) and the South Korean defense minister, Kim Kwan-jin, in effect threatened North Korea with some form of a counterattack if it engaged in another belligerent act, like its shelling of a South Korean island last November. But Kim was far more emphatic than Panetta, and Pentagon officials quickly played down the likelihood of an American military response, although they did not rule it out. The United States and South Korea "will jointly deter any additional provocations by North Korea," Kim said at the news conference with Panetta. For his part, Panetta said, "We can provide strong and effective responses to those kinds of provocations if we work together and if we develop the kind of coordinated response that we think is necessary." The Pentagon press secretary, George Little, told reporters after the news conference that the United States had "a full spectrum" of potential responses to North Korea, which he said included more joint military exercises between the United States and South Korea, the repositioning of American forces in the region and "other non-kinetic responses." (Elisabeth Bumiller, "Panetta Joins South Korean Defense Minister in Warning North," *New York Times*, October 29, 2011, p. A-6)

10/29/11

Russia is optimistic about North Korea's recent talks with the South and the United States over its nuclear weapons programs, Seoul's top nuclear envoy said. Returning from his three-day visit to Russia, Lim Sung-nam said, "Russia is viewing the two rounds of South-North and North-U.S. talks positively," in a phone interview with Yonhap. "(I will) further increase joint efforts with Russia to solve North Korean issues on the basis of strategic partnerships," the special representative for Korean Peninsula Peace and Security Affairs said. (Yonhap, "Russia Optimistic about Recent U.S.-North, Inter-Korean Talks: Top Nuke Envoy," October 29, 2011)

DoS: Deputy Secretary of State Bill Burns visited Beijing October 27-29 for constructive discussions with senior Chinese officials on a range of important bilateral, regional, and global issues. Deputy Secretary Burns and Chinese counterparts reviewed priorities for upcoming international meetings, including G20, APEC, and the East Asia

Summit, and he underscored the importance of efforts by both the United States and China to promote global economic recovery and balanced growth, and to enhance security, stability, and growth in Asia. They exchanged views on many of the common regional and international challenges our two countries face, including Afghanistan, North Korea, Iran, and recent events in the Middle East, and discussed ways in which the two countries can work together. The two sides also discussed the South China Sea and human rights. Deputy Secretary Burns and his counterparts agreed on the importance to our two countries of maintaining positive bilateral relations, while also addressing ways in which the United States and China could build strategic trust and avoid misunderstandings and misperceptions. Deputy Secretary Burns was accompanied by National Security Council Senior Director for Asian Affairs Daniel Russel and Deputy Assistant Secretary of State for East Asian Affairs Kin Moy. He met with State Councilor Dai Bingguo, Foreign Minister Yang Jiechi, Director of the International Department of the Central Committee of the Chinese Communist Party Minister Wang Jiarui, Executive Vice Foreign Minister Zhang Zhijun, Vice Foreign Minister Cui Tiankai, and PLA Deputy Chief of the General Staff General Ma Xiaotian. (DoS, Office of the Spokesperson, Statement on Visit of Deputy Secretary Bill Burns to Beijing, October 29, 2011)

10/30/11 South Korean President Lee Myung-bak said he wouldn't flinch from his tough approach toward North Korea for the sake of political gain as he heads into his final year in office. Speaking in an extensive interview with *The Wall Street Journal*, the 69-year-old former Hyundai executive-turned-politician said Seoul would maintain its principle of offering Pyongyang a route to peaceful co-development if the North drops its nuclear program. "I don't intend to approach North Korea issues out of any political motives," Mr. Lee said. "We're open to economic cooperation with North Korea as long as the North gives up its nuclear ambitions." (Alastair Gale and Almar Latour, "South Korea to Keep Tough Approach to North," *Wall Street Journal*, October 30, 2011)

10/31/11 South Korea is seeking to hold a third round of bilateral talks with North Korea as regional powers increase efforts to revive the stalled six-nation talks on ending the North's nuclear ambition, a senior official at Seoul's foreign ministry said. "After the Geneva talks, there is the need to hold more dialogue with North Korea," the official said, adding no date has been set for a third round of talks. "Some progress was made in the Geneva meeting, but there is still much more work to do," he said. "It is clear to us that North Korea must take more specific and sincere steps when the third round of talks happens." Asked what specific progress had been made during the Geneva talks, the official replied, "One achievement is that both sides broadened each side's understanding about pending issues." (Yonhap, "Seoul Seeks More Nuclear Talks with Pyongyang: Official," October 31, 2011)

11/1/11 South Korea will set up a fund as early as this year to begin raising up to 55 trillion won (\$50 billion) to pay for its eventual reunification with North Korea. Individual Koreans at home and abroad will be able to make donations to the fund and the government in Seoul may earmark money including budget surpluses, Unification Minister Yu Woo Ik said in his first interview since being sworn in on September 19. While foreigners will

also be allowed to donate, there is no plan to ask overseas governments to contribute, he said. Yu, 61, is asking South Koreans to put aside more than 60 years of animosity on the divided peninsula and prepare for the fiscal shock of incorporating their impoverished northern neighbors. Fifty South Koreans died last year in attacks blamed on Kim Jong Il's regime and negotiations to resume six-nation talks aimed at shutting down North Korea's nuclear-weapons program have made little progress. "Government agencies are near an agreement over the unification account and I hope lawmakers will pass legislation within this year," Yu said in his office in Seoul yesterday. "This will unite people and foster their desire for unification." Yu, who begins a six-day visit to the U.S. tomorrow to meet lawmakers, State Department officials and United Nations Secretary-General Ban Ki-moon, said he expects the two Koreas to reunite within his own lifetime. Yu said figures for the cost reach as high as 269 trillion won, or almost a quarter of South Korea's 2010 gross domestic product. Its economy is more than 40 times larger than North Korea's, which has relied on outside handouts since the mid-1990s when an estimated 2 million people died from famine, according to South Korea's central bank. The population of Kim's totalitarian state is almost half that of South Korea's 49 million people. East Germany's population was about one-quarter that of West Germany's 61 million when the Berlin Wall fell in 1989, and per capita income was almost one-third that of its larger neighbor, according to a 2009 report by Goldman Sachs Group Inc. "We cannot apply the German unification model to Korea as the North is much poorer and has a bigger population," said Moon Chung-in, a professor of political science at Yonsei University in Seoul. "Germany had a strong economy while ours is still fragile." "Reunification won't result in a debt crisis or multiple sovereign-rating downgrades as most people fear," said Kwon Young Sun, a Hong Kong-based economist at Nomura Holdings Inc. "South Korea could spread the cost across generations and share the burden with other countries." (Brian Fowler and Seo Eunkyung, "South Korea Plans \$50 Billion Fund for Union with North," *Businessweek*, November 1, 2011)

11/2/11

With President Lee Myung-bak en route to meet Russian President Dmitry Medvedev in St. Petersburg, South Korean officials downplayed the significance of a roadmap it had agreed with Russia to build a massive gas pipeline linking the two countries via North Korea, saying the project still has a long way to go. Yesterday a senior Russian official said the two countries hope to start construction of the transnational gas pipeline in 2013 and transport Siberian gas through the connection in 2017. The timeline was part of a memorandum of understanding South Korea's state-run gas firm Korea Gas Corp. signed in September with its Russian counterpart Gazprom on the project, said Nikolai Dubik, chief of Gazprom's legal department. South Korean officials said the plan is not legally binding and little more than wishful hopes for now. They stressed the two sides have not made any progress since September, and that any meaningful progress can come only after Russia and North Korea agree on pipeline transit fees. "There has been no progress since the MOU in September," a government official said on condition of anonymity. "Russia has not yet made any commercial proposals to us, such as gas prices or terms of construction. Once proposals are made, we have to hold negotiations." The two leaders were expected to discuss the project during summit talks, along with efforts to end Pyongyang's nuclear ambitions. "I doubt today's summit will produce any specific results (about the

pipeline)," the government official said. The project has drawn keen media attention because it could help reduce tensions on the divided peninsula. Lee has also said that the project is workable as it would benefit all parties involved. But in an interview with *Le Figaro* published yesterday, Lee also said there is a long way to go before the project comes to fruition. "There will be a point in time where the South, the North and Russia hold three-way discussions," Lee said in the interview. "But before reaching that stage, a lot of conditions must be fulfilled. Discussions on the gas pipeline project could proceed swiftly, or not. It is difficult to predict for now." (Chang Jae-soon, "South Korea Downplays Roadmap for Gas Pipeline Project with Russia," *Yonhap*, November 2, 2011) President Lee and President Medvedev reaffirmed their commitment to cooperate on a project to pipe Siberian natural gas to South Korea via North Korea during their summit. "The two leaders agreed that if carried out successfully, the project to import Russian natural gas will bring economic benefits to all three countries," Lee's office said in a press release. (Kim So-hyun, "Lee, Medvedev Vow to Cooperate on Gas Pipeline Venture," *Korea Herald*, November 2, 2011) Nikolai Dubik, head of the legal department of the Russian gas company Gazprom, released the content of a memorandum of understanding on the roadmap for the project. Work on the pipeline will begin in 2013 and operations will start by 2017. According to the roadmap, the two sides will sign a gas supply agreement between October this year and January next year after they agree on basic conditions for Russia's supply of gas to South Korea. They will sign a formal agreement between January and April next year. Seoul and Moscow will also draw up a blueprint for the pipeline by September 2013, then break ground for the project the same month and begin to supply gas in January 2017. (*Chosun Ilbo*, "Lee, Medvedev Agree to Start Pipeline Project in 2013," November 3, 2011)

11/3/11

The North Korean economy contracted for the second straight year in 2010 due to tougher international sanctions and sluggish agricultural production. The Bank of Korea (BOK) estimated that the communist country's economy shrank 0.5 percent on-year last year, compared with a 0.9 percent contraction in 2009. The North's agricultural and fishery industry contracted 2.1 percent last year from a year earlier, more than double the 1 percent fall of 2009. Its manufacturing sector declined 0.3 percent in 2010. North Korea's nominal gross national income (GNI) amounted to 30 trillion won (US\$26.5 billion) last year, which is only 2.56 percent of South Korea's GNI of 1,173 trillion won. Meanwhile, inter-Korean trade grew 13.9 percent on-year to \$1.91 billion, the BOK said. (*Yonhap*, "N. Korean Economy Shrinks for 2nd Year in 2010: BOK," November 3, 2011)

South Korea plans to build a natural gas power plant in North Korea in return for the latter letting a gas pipeline linking the South and Russia pass through North Korean territory, rather than offering cash that Pyongyang could misuse, a source from the ruling Grand National Party. "North Korea has no reason to reject this offer considering its dire power shortages," the source said. "The key issues in the pipeline project are safety and the passage fee," the source told Won Hee-ryong, a member of the ruling party's supreme council, at a party meeting. "Public consensus is necessary since public opinion will be divided if Russia gives the money paid by the South to the North

in cash." (*Dong-A Ilbo*, "S. Korea to Give N.K. Natural Gas Plant for Pipeline: Source," November 4, 2011)

- 11/4/11 South Korea will "actively consider" providing humanitarian aid to North Korea through United Nations agencies, Seoul's top policymaker on Pyongyang said. Unification Minister Yu Woo-ik visited U.N. Secretary-General Ban Ki-moon and they discussed the need to help out the impoverished communist regime. Afterward, Yu said Ban expressed concerns about malnutrition among North Korean infants and children and the secretary-general told him that helping North Korea would be beneficial to all Korean people in the long term. "I have been considering resuming humanitarian aid to North Korea, such as provision of medicines and medical equipment, through international agencies," Yu said. "Once I return to Korea, I will actively consider giving aid, starting with medicines and medical equipment and moving on to food for infants and children." A unification ministry official, though, guarded against premature optimism. "Even if we resume giving aid through U.N. bodies, it will be an effort to increase flexibility," the official said. "The basis of our sanctions from last May will not be affected." (Yonhap, "Unification Minister to 'Actively Consider' Giving Aid to N. Korea through U.N.," November 6, 2011)
- 11/6/11 North Korea's mineral exports to China have tripled this year compared to a year ago. A joint study of Chinese data by Yonhap and Seoul-based IBK Economic Research Institute showed that China imported 8.42 million tons of minerals from North Korea from January to September this year, worth US\$852 million. Over the first nine months of last year, China brought in 3.04 million tons of minerals from the North for \$245 million. Most of the minerals were anthracite coals, the data showed. This year, of 8.42 million tons, 8.19 tons were anthracites. (Yonhap, "N. Korea's Mineral Exports to China Tripled from Last Year: Study," November 6, 2011)
- 11/8/11 South Korea on Tuesday authorized the World Health Organization to resume the distribution of medical aid to North Korea, financed by the South Korean government, amid growing international calls for assistance for malnourished North Korean children. The decision "was based upon our belief that purely humanitarian support for the young and vulnerable in North Korea should continue," a senior South Korean Unification Ministry official told reporters on Tuesday during a briefing given on the condition of anonymity. In 2009, South Korea donated \$13 million for a W.H.O. program to send medicine and medical supplies to the North. But it asked the United Nations agency to suspend the distribution of the money after the March 2010 sinking of a South Korean warship, the Cheonan. South Korea says the North torpedoed the ship, killing 46 sailors, an accusation North Korea rejects. Today, the Unification Ministry accepted the W.H.O.'s request to distribute the remaining South Korean money, totaling about \$7 million, the official said. (Choe Sang-hun, "South Korea Approves Sending Medical Aid to North," *New York Times*, November 8, 2011)
- 11/12/11 A senior North Korean official has told "The Elders," a group of retired state leaders, that Pyongyang is willing to hold a high-level meeting with Seoul in January to discuss a possible inter-Korean summit, a U.S.-based Korean scholar familiar with the group said. The North Korean official, whose name was withheld, delivered the intention to

the global non-government organization in August and the group's delegation is scheduled to visit and inform South Korea of the proposal this week, the scholar said on condition of anonymity. The group's delegation will then travel to North Korea, the scholar added. "The North Korean official met senior members of The Elders in August in New York and asked them to convey the North's willingness to hold the high-level meeting in January to the South," the scholar told Yonhap by telephone. (Yonhap, "N. Korea Offers High-Level Meeting for Summit Talks with S. Korea," November 12, 2011)

11/13/11 Hundreds of North Korean experts involved in the Stalinist regime's development of nuclear and missile programs are working in major facilities across Iran, a diplomatic source said. "We have confirmed that hundreds of North Korean engineers and scientists have been working at more than 10 nuclear and missile sites in Iran through Humint (human intelligence)," the source said. "The collaboration has been taking place for years." The source said the North Korean experts are from "Office 99," under the North's ruling Workers' Party Munitions Industry Department. The secret bureau is widely believed to be responsible for the Stalinist regime's exports of weapons and military technology. In June this year, *Sankei Shimbun* reported that Pyongyang dispatched 160 nuclear experts to Iran in an attempt to sell its nuclear and missile-related military technologies. It claimed that the cash-strapped North was looking to sell its technology to overcome financial difficulties that have worsened since the international community slapped sanctions on it for nuclear tests in 2006 and 2009. (Lee Tae-hoon, "N.K. Nuclear Experts Working in Iran," *Korea Times*, November 13, 2011) "Hundreds of North Korean scientists and engineers are working at about 10 nuclear and missile facilities in Iran, including Natanz," the source said. "They are apparently rotated every six months." He said the North Koreans enter Iran clandestinely via third countries like Russia and China. (*Chosun Ilbo*, "'Hundreds of N.Koreans' Working at Iran Nuke Facilities," November 13, 2011)

11/14/11 KEDO, an international consortium once tasked with building two power-generating nuclear reactors in North Korea, will soon demand that the communist country provide US\$1.89 billion in compensation for the project's failure, a Seoul official said. The demand comes after North Korea filed its own compensation claim worth some \$5.8 billion in September, saying it suffered heavy financial losses and other troubles from the failed project. After years of delays due to poor funding and other problems, the project fell through in 2006 after the U.S. caught North Korea pushing a second nuclear weapons program based on enriched uranium in addition to its widely known plutonium-based one. The \$4.2 billion project was about 35 percent complete when the KEDO called it off. "Ever since the project fell through in 2006, the KEDO has sent a request to North Korea each year, demanding compensation for its breach of the agreement," the government official said, requesting anonymity. "North Korea gave no response, and its sudden claim for compensation is completely unacceptable. The KEDO plans to send an official reply in the coming days." (Yonhap, "Power Consortium to Demand \$1.89 Billion from N. Korea over Failed Energy Project," *Korea Herald*, November 14, 2011)

11/15/11

North Korea has made rapid progress on the construction of a new nuclear reactor, with work nearly complete on the outside walls of the reactor building, according to an analysis of recent satellite images. Because the reactor building hasn't yet been loaded with sensitive nuclear equipment, the plant might not be operational for two or three more years, one analyst said. But the accelerated pace of construction, coming one year after North Korea disclosed the plant publicly, lends credence to Pyongyang's claim that it has the materials and know-how to build nuclear plants on its own. It is less clear, though, whether North Korea wants the plant as a power source or as a decoy for its weapons program. With a completed light-water reactor, North Korea would pose the same problem as Iran: Its officials can claim that their uranium-enrichment program is being used to fuel the reactor, not to produce weapons-grade uranium for nuclear bombs. "It's a nice cover story, potentially, for their highly-enriched-uranium program," said Joel Wit, a former U.S. nuclear negotiator who obtained the November 3 satellite images for publication on his 38North.org Web site from the DigitalGlobe Analysis Center. An account in the state-run news last week again mentioned the reactor but gave no exact timetable for its completion. "The day is near at hand," the article said, "when a light-water reactor entirely based on domestic resources and technology will come into operation" in North Korea. (Chico Harlan, "N. Korea Makes Progress on Nuclear Plant," *Washington Post*, November 15, 2011, p. A-8)

In a wide-ranging exclusive interview with NPR last week, Lee called the disagreement in the National Assembly "part of a protracted political disagreement," and not about the FTA per se. He is also facing hardening opposition on the streets. On Sunday, in the biggest demonstration so far this year, thousands protested against the deal, which they say favors the U.S. and is "unpatriotic." "When you talk about a very small minority – a handful of those with anti-American sentiments – they are the most vocal, they tend to get very active, they are the first ones to come out on the streets and voice discontent when something happens," he said. Lee had come to office vowing to roll back the earlier "sunshine policy" of engagement, by making aid to Pyongyang conditional on steps toward nuclear disarmament. But he denies this constitutes a hard-line approach to Pyongyang. "There's this wide perception that somehow our North Korea policy was rather hard-line, but it wasn't," Lee said. "Ever since my first day in office, my North Korea policy has been very flexible." Recently, Lee has replaced his unification minister, Hyun In-taek, who was seen as a hard-liner, and restarted medical aid to North Korea. The president defends his approach as consistent. **"There is no change, but my North Korea policy did in fact yield substantial results, but these results you cannot see with your eyes right now. But there are fundamental changes as a result of our North Korean policy," he says.** (Louisa Lim, "South Korean President Faces Mounting Pressures," National Public Radio, November 15, 2011)

11/16/11

North Korean violations of the Northern Limit Line, the de-facto maritime border, have decreased to one-sixth the frequency of last year since January. According to data the Joint Chiefs of Staff submitted to Future Hope Alliance lawmaker Song Young-sun on Tuesday, violations of the NLL by North Korean patrol and fishing boats grew from 21 in 2006 to 95 times in 2010. But there have been only 16 so far this year. North Korean patrol boats crossed the NLL 11 times in 2006 and 13 times in 2010 but only five times

this year. The first trespass by a patrol boat was on April 26 this year, and a South Korean Navy speedboat fired eight warning shots from a 40-mm gun. The North violated the NLL in the West Sea 226 times and in the East Sea eight times over the past five years. (*Chosun Ilbo*, "Fewer N. Korean Violations of Maritime Border," November 16, 2011)

South Korean government sources are quoted as saying North Korea's military recently tested, in the Yellow Sea, new missiles designed to attack ships. The development is viewed as a new threat to South Korea's patrol ships and destroyers operating in tense waters off the west coast off the Korean peninsula. North Korea's missile tests are reported to have taken place once in October and, again, earlier this month **near** waters whose boundary is disputed by the two Koreas. Various South Korean media outlets quoted officials as saying North Korea appears to have modified, for an airborne launch, the decades-old Soviet SSN-2-C short-range anti-ship missile, also known as the Styx. The reports say North Korea fired the missiles from an IL-28 bomber in the Yellow Sea. (Steve Herman, "North Korea Reported to Have Test-Fired Anti-Ship Missile," VOA, November 16, 2011)

11/17/11

President Barack Obama said that the United States will act firmly against any nuclear proliferation activities by North Korea. In a speech to the Australian Parliament, Obama said the transfer of nuclear material by North Korea to other nations would be "considered a grave threat to the United States and our allies." The United States will "hold North Korea fully accountable for the consequences of such action," he told the parliament while outlining U.S. plans to stay invested across Asia and Australia, despite budget cuts back home. (Associated Press, "North Korea Nuclear Material Transfer Threat to the United States, Obama Says," November 17, 2011)

New intelligence indicates that North Korea is moving ahead with building its first road-mobile intercontinental ballistic missile, an easily hidden weapon capable of hitting the United States, according to Obama administration officials. The intelligence was revealed in a classified Capitol Hill briefing this month. Its existence was made public in a letter to Defense Secretary Leon E. Panetta from five House Republicans. "As members of the House Armed Services subcommittee on strategic forces ..., we write out of concerns about new intelligence concerning foreign developments in long-range ballistic missile development, specifically ballistic missiles capable of attacking the United States," the letter said. "We believe this new intelligence reiterates the need for the administration to correct its priorities regarding missile defenses, which should have, first and foremost, the missile defense of the homeland." In their letter, the five lawmakers called on the Pentagon to reverse its decision to curb development of long-range ground-based interceptors in favor of European-based missile defenses against Iranian missiles. They also asked for the Pentagon's plan for a "hedging strategy" to be prepared to counter new missile threats like the North Korean mobile ICBM. "In view of the briefing the subcommittee received this week, we do not believe the United States can afford further delay in the release of the hedging strategy by the Department of Defense," they stated, asking for a report on the strategy by the end of the year. Officials familiar with the intelligence said government analysts believe

the missile could be a variant of North Korea's new Musudan intermediate-range missile, first disclosed publicly in October 2010. Other intelligence indicates that the new ICBM may be under development at a huge missile testing facility on North Korea's western coast. Details of North Korea's first mobile intermediate-range missile, the Musudan, and the new west coast North Korean launch facility were made public in classified State Department cables on the anti-secrecy website WikiLeaks. A February 2010 cable outlining a U.S.-Russian exchange on missile threats stated that the U.S. government suspects North Korea has three paths to building ICBMs. One is using the Taepodong-2, with a range of up to 9,300 miles, as its main strategic missile. A second way is to further develop the ranges of existing missiles like the Musudan, and last is to "use the very large launch facility that is being constructed on the west coast of North Korea to launch a very large missile," the cable said. The cable said the size of the facility is a concern because "it does not simply replicate other sites." "This facility is much larger than the Taepodong launch facility," the cable said. "This is not to say there is evidence of a new missile system larger than the Taepodong-2 being developed, but it suggests the possibility." An October 6, 2009, cable on North Korea's missile program said the Musudan intermediate-range missile is based on Russia's SS-N-6 submarine-launched missile that has a range of up to 2,400 miles. The Musudan uses an advanced liquid propellant called unsymmetrical dimethylhydrazine (UDMH) and nitrogen tetroxide (N2O4) that are easier to store in 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," the cable said. North Korea also has a new solid-fueled short-range missile called the Toksa, with a range of 75 miles, and has sold a number of shorter-range Musudan missiles to Iran, the report said. Gates first told reporters Jan. 11 during a visit to China that North Korea's progress in building intercontinental ballistic missiles was turning the Pyongyang regime into a "direct threat to the United States." Pressed for details, he said, "I don't think it's an immediate threat, no. But on the other hand, I don't think it's a five-year threat." "Let me be precise," he added. "I think that North Korea will have developed an intercontinental ballistic missile within that time frame, not that they will have huge numbers or anything like that, but I believe they will have a very limited capability." The *Daily Beast* quoted Gates in June saying, "They are developing a road-mobile ICBM. I never would have dreamed they would go to a road-mobile before testing a static ICBM. It's a huge problem. As we've found out in a lot of places, finding mobile missiles is very tough." Richard Fisher, a military analyst with the International Assessment and Strategy Center, said, "A nuclear armed North Korean road mobile ICBM would pose a spectacular challenge to the U.S.-led alliance system in Northeast Asia, as Pyongyang could severely undermine U.S. extended nuclear deterrence commitments." (Bill Gertz, "North Korea Making Missile Able to Hit U.S.," *Washington Times*, December 5, 2011) Five Republican members of Congress raised concerns in November that North Korea is developing a road-mobile intercontinental ballistic missile (ICBM), a capability that might allow it to protect its long-range missiles from being destroyed before they are used. However, some nongovernmental experts said such a system was very likely beyond North Korea's current technical reach. In a November 17 letter to Secretary of Defense Leon Panetta, the lawmakers expressed "concern about new intelligence concerning foreign developments in long-range

ballistic missile development, specifically ballistic missiles capable of attacking the United States.” Rep. Michael Turner (OH), who chairs the House Armed Services strategic forces subcommittee, and four other members of the panel—Reps. Trent Franks (AZ), Doug Lamborn (CO), Mike Rogers (AL), and Mac Thornberry (TX)—wrote the letter after their subcommittee received an intelligence briefing that week. The legislators argued that the United States must increase missile defense spending against threats to the homeland, rather than focusing on regional missile threats. The letter includes a June 4 quote from then-Defense Secretary Robert Gates, who told an audience in Singapore that, “with the continued development of long-range missiles and potentially a road-mobile [ICBM]...North Korea is in the process of becoming a direct threat to the United States.” Gates later said even more definitively in a *Newsweek* interview published June 21 that Pyongyang was developing such a capability, commenting, “I never would have dreamed [North Korea] would go road-mobile before testing a static ICBM.” Previously, publicly available U.S. intelligence assessments have noted North Korea’s ICBM development, but have not referenced a road-mobile ICBM. An annual CIA report to Congress last February on the proliferation of unconventional weapons said that North Korea was continuing to develop a mobile intermediate-range ballistic missile. The omission of any assessment of road-mobile ICBM development suggests that any related intelligence would be more recent. Some experts on missile technology are skeptical of the potential for North Korea to develop a road-mobile ICBM with its current state of technology. Theodore Postol, former scientific adviser to the U.S. chief of naval operations, said in a Dec. 8 e-mail that “the possibility that the North Koreans could deploy a ‘realistically’ mobile ICBM is extremely remote.” Postol said his assessment was based on two key technology limitations seen in North Korean missiles. The first is North Korea’s reliance on clustering its medium-range Nodong ballistic missile rocket motors, which “are unable to efficiently lift heavy payloads to high speed,” he said. The other factor he cited was the heaviness of the airframes that North Korea manufactures, which makes it more difficult to carry heavy payloads, such as nuclear weapons, long distances. Most of North Korea’s missile program is based on decades-old Soviet SCUD missile technology, which has proven difficult for countries to scale up to longer-range systems. In 2009, however, North Korea unsuccessfully tested a three-stage rocket called the Taepo Dong-2, whose second stage is believed to be based on the Soviet SS-N-6 submarine-launched ballistic missile. The SS-N-6 is far more sophisticated than the SCUD-based design North Korea used for the rocket’s first stage. Postol said that based on the technology North Korea is known to possess, the only way it could reduce the size and weight of an ICBM to fit on a road-mobile platform would be to cluster four SS-N-6 rocket motors for the missile’s first stage. “This task would be absolutely gigantic relative to anything else that we have observed being done by either Iran or North Korea,” taking several years and using up potentially limited SS-N-6 rocket motors during the development process, he said. According to a December 2009 Department of State cable obtained by WikiLeaks and published by the *Guardian*, the United States concluded that North Korea could pursue three paths to an ICBM capability: using the Taepo Dong-2, developing a missile larger than the Taepo Dong-2 using a new launch facility North Korea has been building, or further developing its intermediate-range ballistic missile. That missile, which the United States calls the Musudan, is believed to be based on the SS-N-6. Missiles understood

to be the Musudan first publicly appeared in an October 2010 military parade in Pyongyang, but experts believe those missiles to have been mock-ups. North Korea has not tested the Musudan. (Peter Crail, "Lawmakers Raise North Korea CBM Fears," *Arms Control Today*, January/February 2012)

China said it would strengthen military ties with ally North Korea, amid continuing tensions between Pyongyang and Seoul and stalled efforts to restart nuclear disarmament talks. The vow follows a three-day visit to the North by the Chinese military's top political commissar, Li Jinai, during which he told North Korean leader Kim Jong Il that China's army wanted to enhance understanding and mutual trust and strengthen practical exchanges with the North Korean military. "This would promote the all-around development of China-DPRK relations, which are neighborly and friendly," China's official Xinhua reported. (Associated Press, "China vows Closer Military Ties with North Korea," November 18, 2011)

KCNA: "Kim Jong Il, general secretary of the Workers' Party of Korea and chairman of the National Defense Commission of the DPRK, Thursday received the high-ranking military delegation of the Chinese People's Liberation Army led by Li Jinai, member of the Central Military Commission of the Communist Party of China and director of the General Political Department of the CPLA, on a visit to the DPRK. Present there were General Kim Jong Un, vice-chairman of the Central Military Commission of the WPK, **Ri Yong Ho**, member of the Presidium of the Political Bureau of the C.C., the WPK and chief of the General Staff of the Korean People's Army, Jang Song Thaek, alternate member of the Political Bureau of the C.C., the WPK and vice-chairman of the NDC, Kim Jong Gak, alternate member of the Political Bureau of the C.C., the WPK and first vice department director of the General Political Bureau of the KPA, and KPA Generals Kim Won Hong and Pak Jae Gyong. Present there from the Chinese side were Li Jinai, Lieut. Gen. Ding Jiye, deputy director of the CPLA General Logistics Department, Lieut. Gen. Chen Xiaogong, deputy commander of the Air Force, Lieut. Gen. Wang Dengping, political commissar of the North Sea Fleet of the Navy, Lieut. Gen. Zhao Zongqi, chief of the Staff of the Jinan Military Area, Major General Kan Likui, vice-director of the Operation Department of the General Staff of the CPLA, Major General Ci Guowei, deputy director of the Foreign Affairs Office of the Ministry of National Defense, Major General Li Fengshan, deputy secretary-general of the General Office of the General Political Department of the CPLA, Chinese Ambassador Liu Hongcai and Military, Naval and Air Attache Sun Yanfeng of the Chinese embassy here. Li Jinai conveyed Kim Jong Il the warm greetings of the members of the collective leadership of the Communist Party of China including Hu Jintao, general secretary of the C.C., the Communist Party of China and president of the People's Republic of China. Li Jinai expressed most heartfelt thanks to Kim Jong Il for receiving the high-ranking military delegation of the CPLA by sparing his precious time though he was very busy leading the building of a thriving nation. Li Jinai gave his impressions of the DPRK, saying he was particularly and deeply moved to see for himself the signal successes made by the fraternal people and army of the DPRK in various fields under the leadership of the WPK headed by General Secretary Kim Jong Il. The traditional Sino-DPRK friendship forged and cultivated by the leaders of the elder generation of the two countries have entered a new stage of development under the deep care of Hu Jintao and Kim Jong

II, he said. In recent years there was a brisk exchange of high-ranking delegations between the two countries and important agreements were reached on developing the friendly and cooperative relations and bilateral exchange and cooperation in various fields including politics, economy and military affairs have registered steady and abundant achievements, he noted. It is the steadfast policy of the party, government and army of China to put into practice the common understandings reached between the leaders of the two countries and boost the friendly and cooperative relations between the peoples of the two countries, between the armies, in particular, he added. Kim Jong Il warmly welcomed the visit of the high-ranking military delegation of the CPLA to the DPRK and asked Li Jinai to pass his warm regards to the members of the collective leadership of the CPC including Hu Jintao and the fraternal army and people of China. The armies of the two countries have played a positive role in developing the DPRK-China friendly relations in the past, he expressed the belief that there would be no change in the sense of revolutionary obligation and class principle between the armies and peoples of the two countries no matter how the situation may change in the future. Li Jinai presented Kim Jong Il and Kim Jong Un with the gifts prepared by him with his best wishes. Kim Jong Il expressed deep thanks for this. He hosted a dinner in honor of the guests. The dinner proceeded in an amicable atmosphere overflowing with friendship." (KCNA, "Kim Jong-il Receives High-Ranking Military Delegation of CPLA," November 17, 2011)

11/21/11

Stephen Bosworth, former top U.S. envoy on North Korea, said that he does not want to use the words "management strategy" regarding the North. "I would not use those words myself," he said in an interview with Yonhap, the first with Korean media since he quit two and a half years of service as special representative for North Korea policy last month. "I think it's important to have an effective, ongoing dialogue with North Korea. In order to do that, we have to be prepared to deal with serious issues," Bosworth said in a telephone interview from his office in Boston. Bosworth dismissed media speculation over nuclear cooperation between North Korea and Iran, which the IAEA recently said is clearly developing uranium-based weapons. "I haven't seen any hard evidence of such ties," he said. "But we know that there have been movements back and forth. It would be a mistake to speculate about those." (Lee Chi-dong, "Bosworth Dissatisfied with 'Management Strategy' on N. Korea," Yonhap, November 22, 2011)

South Korea's point man on North Korea ruled out rice aid to the impoverished communist country unless Pyongyang admits its deadly provocations. "We cannot give rice to people who fire a cannon" unless North Korea "acknowledges its wrongdoing in committing the provocations" and makes it clear they won't happen again, Unification Minister Yu Woo-ik said in a meeting with South Korean residents in Beijing. Yu was to meet with Chinese Vice Foreign Minister Zhang Zhijun later in the day. The former ambassador to China also plans to meet with Foreign Minister Yang Jiechi, State Councilor Dai Bingguo and other officials during his three-day trip, according to his office. (Yonhap, "Minister Rules out Rice Aid to N. Korea without Admission of Attacks," November 21, 2011)

11/22/11

South Korea's top official in charge of relations with North Korea asked China to quickly send North Korean defectors to South Korea. Unification Minister Yu Woo-ik sought cooperation from Chinese Foreign Minister Yang Jiechi to ensure that "North Korean defectors can quickly come to South Korea based on their free will." (Yonhap, "Yu Asks China to Send N. Korean Defectors to S. Korea," November 22, 2011) As of November 6, 2,317 North Korean defectors entered South Korea this year after traveling through China and other countries, a government report said, an increase of 18.8 percent from last year. The number of annual arrivals passed the 1,000 mark for the first time in 2001, and topped 2,000 in 2006. Meanwhile, the total number of North Korean defectors in the years prior to 1989 stood at 607, according to the report. The ministry's draft budget for next year includes some 5.29 billion won (US\$ 4.62 million) in support measures for North Korean defectors, such as medical and flight expenses and operation costs for shelters. (Yonhap, "Number of N. Korean Defector Arrivals Jumps 19% This Year," November 22, 2011)

South Korea has this year recovered the remains of 48 North Korean soldiers apparently killed during the 1950-53 Korean War, the defense ministry said. "Our team of excavators has found the remains of 48 North Korean soldiers across South Korea so far this year," a ministry official said. "They were buried in our cemetery for enemy combatants." (Yonhap, "S. Korea Uncovers Remains of 48 N. Korean Soldiers," November 22, 2011)

South Korea's ruling party forced a long-stalled free trade deal with the United States through parliament, enraging opposition lawmakers who blasted their political rivals with tear gas. South Korean lawmakers voted 151 to 7 in favor of ratifying the landmark trade agreement in a surprise legislative session called by the ruling Grand National Party, parliamentary officials said. Shouts and screams filled the National Assembly as ruling party lawmakers forced their way onto the parliamentary floor. Amid the scuffling, one opposition lawmaker doused rivals with tear gas. Security guards hustled him out of the chamber as he shouted and tried to resist. Outside the National Assembly building, opponents of the deal scuffled with police mobilized to maintain order. (Associated Press, "Shouts, Scuffles, Tear Gas As S. Korean Lawmakers Pass Long-Stalled Free Trade Deal with U.S.," November 22, 2011) The National Assembly passed the long-pending Korea-U.S. free trade agreement, with the ruling Grand National Party pressing ahead with the ratification process despite vehement objection from opposition parties. Upbraiding the majority GNP and the government for "unilateral action," the main opposition Democratic Party pledged to stage an "all-out struggle" to invalidate the pact, part of which it claims should be renegotiated to protect local industries. The passage is expected to escalate the persistent partisan standoff at the National Assembly at a time when ruling and opposition parties should cooperate to handle a series of key bills, including the 2012 state budget plan. A total of 151 lawmakers voted in favor of the deal while seven voted against it with 12 abstaining. Out of the total 295 lawmakers, 170 participated in the full-house vote during the unicameral legislature's plenary session. (Song Sang-ho, "Parliament Passes Korea-U.S. FTA," *Korea Herald*, November 22, 2011)

North Korea's surprise artillery attack on November 23, 2010, brought major changes to the thinking and routine of military personnel stationed on Yeonpyeong Island. K9 artillery company members alternate over three shifts a day at artillery installations. The barracks is just 150 to 200 meters away, but they eat and sleep by the artillery in order to be able to fire back within five minutes in the event of a North Korean provocation. The situation is difficult, but no one complains. The prevailing view is that they were taken unaware once before, and they need to respond comprehensively if another opportunity arises. All around the base on Monday were signs reading "November 23: The Battle Is Not Over" and "In Memory of the Yeonpyeong Unit's Victorious Artillery Battle." While the situation at the very front is one of fighting spirit based in hostility, the military leadership is moving to fortify the five West Sea islands. In June, a Marine-centered Northwest Islands Defense Command was set up, and an additional budget of 100 billion won (\$87.2 million) for 2011 was allocated just for reinforcement of military strength around the islands. An additional 1,000 military personnel were stationed there, and K9 units were more than doubled. Also brought in was an AH-1S Cobra attack helicopter with Vulcan and grenade-launching capabilities, a multiple rocket launcher and new Artillery Hunting Radar (ARTHUR), and daytime and nighttime observation equipment for monitoring the front. Plans are under way to bring in Spike missiles, tactical aerial vehicles, and unmanned reconnaissance aircraft. North Korea is not passively accepting the situation. During a meeting with the Hankyoreh on November 15 at the Marine Corps headquarters in Hwaseong, Gyeonggi, an official with the Northwest Islands Defense Command said, "We have confirmed that the enemy is preparing an attack through other methods besides artillery provocations, and we are preparing accordingly." Analysts said North Korea has brought in thousands of additional special forces soldiers for overseas invasion and hovercrafts, while South Korea is stepping up its exercises in anticipation of a surprise land attack by North Korea. The heightening fears of a clash are not limited to Yeonpyeong Island. Defense Minister Kim Kwan-jin and Joint Chiefs of Staff Chairman Jung Seung-jo have emphasized that self-defense rights take precedence over the rules of engagement and stated that they would respond with fighter aircraft and artillery support forces in the event of another provocation. Observers said that for all the psychological and physical blows taken and money spent, military reinforcements are unlikely to bring about peace and stability. Buddhist Society Institute senior researcher and former Cheong Wa Dae national security committee administrative officer, Kim Chang-su, said, "This vicious cycle of 'an eye for an eye, a tooth for a tooth' is not going to ensure ultimate peace in the West Sea." "We need to create a window for dialogue with North Korea to maintain peace in the West Sea even as we are filling in the security gaps, and we ultimately need to create a special zone of peace and cooperation in the West Sea as agreed upon in the October 4 Joint Declaration," Kim said. (Hankyoreh, "Costly Reinforcements Heightens Tensions on Yeonpyeong Island," November 22, 2011)

11/24/11

Supreme Command of the Korean People's Army announcement: "The puppet military warmongers of south Korea, keen in confrontation with fellow countrymen, kicked off large-scale anti-DPRK war rehearsal on the five islands and their surrounding waters in the West Sea of Korea at 13:00 Wednesday [November 23]. Involved in the rehearsal are the puppet Joint Chiefs of Staff, Command for Defense of Islands in Northwest Sea, Naval Force Operation Command, Air Force Operation Command and other

commanding bodies, strike flying corps, fleets of warships, artillery units and other huge armed forces. Some of the U.S. imperialist aggressor forces present in south Korea took part in it. The military warmongers dared to announce that the rehearsal is aimed to remind the DPRK of victims and lesson from the Yeonpyeong Island Shelling and review their "perfect readiness for counteraction." It is also intended to show their will to decisively punish "not only the base of provocation but also commanding posts of all echelons including supporters in the north" with the combined forces of three services in case the DPRK starts a military action, they asserted. As for last year's Yeonpyeong Island shelling, it was a legitimate self-defensive step against the provocateurs who dared to make a clumsy fire on the inviolable territorial waters of the DPRK despite its army's advance warning. This being a hard reality, they launched the anti-DPRK war rehearsal far from drawing due lesson on the first anniversary of the shelling. It is little short of a new political and military provocation to the army and people of the DPRK. Such disgusting behavior by the military warmongers, who go recklessly without knowing about the present trend of situation and their domestic condition, will arouse criticism and ridicules from among the people at home and abroad. They should not forget the lesson taught by the Yeonpyeong Island Shelling one year ago. **They should be mindful that if they dare to impair the dignity of the DPRK again and fire one bullet or shell toward its inviolable territorial waters, sky and land, the deluge of fire on Yeonpyeong Island will lead to that in Chongwadae and the sea of fire in Chongwadae to the deluge of fire sweeping away the stronghold of the group of traitors.** The DPRK revolutionary armed forces are in full readiness to go into a decisive battle to counter any military provocation." (KCNA, "KPA Supreme Command Warns S. Korean Military Not to Act Rashly," November 24, 2011)

11/25/11

The Senate Foreign Relations Committee received information roughly five years ago that the Burmese government intended to develop nuclear weapons with the help of North Korea, according to Sen. Richard G. Lugar (R-Ind.). The committee at the time relayed the details to U.S. officials but did not release the information publicly, according to Keith Luse, a committee staff member. Lugar's statement comes ahead of a trip to Burma by Secretary of State Hillary Rodham Clinton, who will be the first of her rank to travel to the isolated and authoritarian country in half a century. "With the upcoming visit, Senator Lugar wanted to throw a spotlight on this issue and make sure it's on the table in our talks with the Burmese government," Luse said. Lugar is the ranking Republican on the Foreign Relations Committee. In recent years, the U.S. Navy has turned away North Korean ships suspected of carrying weapons to Burma, also known as Myanmar. Defectors have emerged from Burma with allegations that the country is pursuing nuclear technology. And diplomatic cables released by WikiLeaks last year described suspicions among U.S. officials of clandestine cooperation between the two isolated countries and indications that hundreds of North Koreans were at one point working at a covert military site in the Burmese jungle. "The sincerity with which a wide range of reforms has been promised by the Burmese government must be judged by whether the words are followed by actions," Lugar said in his statement. "An early goal of the tentative U.S. re-engagement with Burma should be full disclosure of the extent and intent of the developing Burmese nuclear program." (William Wan,

"Lugar: Burma Pursued Nuclear Weapons with North Korea," *Washington Post*, November 25, 2011, p. A-18)

11/28/11

North Korea has supplied Syria and Iran with a special kind of steel used to upgrading missiles and building centrifuges for uranium enrichment, *Die Welt* reported over the weekend. The material, called maraging steel, appears on the monitoring list of the Nuclear Suppliers Group and the Missile Technology Control Regime, and its export is prohibited to countries under sanctions such as Iran. It has been known for years that Iran is trying to obtain the steel through its clandestine purchasing networks around the world. The steel would enable Tehran to construct modified centrifuges, which would in turn allow it to enrich higher quality uranium at a faster speed. According to the report, the delivery of the steel is part of a wider North Korean expertise package to Syria, which is building a new missile factory near Homs. According to other reports, the factory is partly funded by Iran, and is expected to become operational within 18 months. (Yossi Melman, "North Korea Supplying Syria, Iran with Prohibited Nuclear Technology," *Haaretz*, November 28, 2011)

A spate of fiery rhetoric by North Korea and a visit by leader Kim Jong-il to a key border military site has raised worries over possible further provocations by the recalcitrant regime while casting doubt on the recent warming trend lasting. North Korean state media reported that Kim, accompanied by his youngest son and heir, Kim Jong-un, visited the 4th Corps of the Korean People's Army in Haeju along the West Sea last week. The corps was behind last year's deadly shelling of Yeonpyeong Island. The visit coincided with multiple threats from Pyongyang to attack the South in response to military drills that Seoul held to mark the first anniversary of the shelling. The Lee Myung-bak administration said the exercises were to test the military's defense posture, while the North insisted they were provocative. The fresh barbs underscored a mixed bag of tactics as the two Koreas try to ease tensions in a bid to resume multilateral negotiations on the North's nuclear program. During the visit to military headquarters, Kim shook the hands of commanding officers and rallied troops. Raising concern was the fact that the "Dear Leader" visited the same site shortly before the November 23, 2010 artillery attack that killed two marines and two civilians. Meanwhile, state-run media threatened to turn Cheong Wa Dae into a "sea of fire" if any bullet strayed into northern territory. The headquarters is also significant as it is headed by General Kim Kyuk-shik, Commander of the 4th Corps, thought to have been deeply involved in the shelling as well as the deadly sinking of the Cheonan warship eight months earlier. "It is natural for the South Korean government and military to be as vigilant as possible," said Park Young-ho, an analyst with the Korea Institute for National Unification. "Seoul might sense that the North is looking for another opportunity to launch a provocation." (Kim Young-jin, "N. Korea Ratcheting up Tension amid Murky Ties," *Korea Times*, November 29, 2011)

11/29/11

DoS Backgrounder Briefing: "**Q:** When you talk about nascent activity, that's the nuclear program that the Secretary talked about two years ago when she was in Southeast Asia? **SENIOR STATE DEPARTMENT OFFICIAL:** I would say that we have looked at this very, very closely. Obviously, it's an issue of concern. To date, our primary area of focus, again, is the missiles. I think we have looked at this fairly

carefully, and we do not see signs of a substantial effort at this time. ...**Q:** You mentioned the IAEA -- **SENIOR STATE DEPARTMENT OFFICIAL:** No, we would like them to sign the Additional Protocol, IAEA Additional Protocol, which is something that we've worked on with other countries in Southeast Asia. That would be our hope. **Q:** When you mentioned IAEA and that they'd be willing to take some steps, you were talking about this Additional Protocol? **SENIOR STATE DEPARTMENT OFFICIAL:** Additional Protocol, yes. **Q:** Has Senator Lugar oversold this idea of nuclear contact between -- **SENIOR STATE DEPARTMENT OFFICIAL:** No, I think he has made very clear that this is a very serious issue to be focused on. We have been very clear what our expectations are to the governments. I think that, as I said, we believe that there have been surreptitious contacts, military missile-related, perhaps in other areas, in the past. We have made clear that a continuation of these kinds of efforts will make it very difficult for the United States to take the steps to improve the relationship that Naypyidaw seeks." (Senior State Department Official, Background Briefing on Secretary Clinton's Travel to Burma," En Route to Busan, South Korea, November 29, 2011)

Hans Blix, former director-general of the International Atomic Energy Agency, said the U.S. and South Korea's precondition for North Korea to halt uranium enrichment could make it more difficult to start six-party negotiations. Blix visited Korea as a member of an eminent persons' group, or EPG, to provide advice to President Lee Myung-bak for when South Korea hosts the Nuclear Security Summit in March, next year. The group members held their first meeting in Seoul today. "The status of North Korea's nuclear program is relatively clear. ... The bigger problem related to six-party talks is that there is no date for them yet, although it seems to me that there is an interest and willingness, on the North Korean side now, to restart them at some certain point," Blix told reporters in Seoul. "Demanding concrete action usually is more difficult. We've seen that in the case of Iran where outside powers frequently said that 'we're willing to discuss with you, provided that you first suspend enrichment.'" (Kim Yoon-mi, "Precondition Makes Resumption of 6-Party Talks Difficult: Blix," *Korea Herald*, November 29, 2011) Hans Blix, the Swedish lawyer and nuclear specialist who led the International Atomic Energy Agency in the 1990s and the U.N. nuclear verification commission a decade ago, was in Seoul Tuesday to meet President Lee Myung-bak and help define the agenda for the 47-nation Nuclear Security Summit to be hosted in Seoul in March. In a meeting with reporters, Mr. Blix quickly described what the conference won't be - a discussion about nuclear disarmament and the problem of nearby North Korea. "The issue of nonproliferation won't come up," he said. In continuing to press North Korea to denuclearize, South Korea may have to shed its ambition to start a uranium-enrichment program of its own, he said, something that Seoul is talking to Washington about as they renegotiate a nuclear cooperation agreement that expires in 2014. "If one is striving for an agreement about the settlement of the North Korean issue, I would think it's very hard to think you could have one where North Korea would be excluded from either [uranium] enrichment or [plutonium] reprocessing and South Korea could," Blix said. "I think they [North Korea] will insist on parity there." He added, "I say that in full awareness that South Korea has 20 nuclear power reactors and is building more. Even so, if they are importing enriched uranium, that's not a particular problem. My country, Sweden, has ten nuclear

reactors in operation and we also import it. It's more economic than to have an enrichment plant ourselves. And here, I think it will make it more difficult to get to a settlement of the North Korean nuclear issue." Blix said that South Korea and other countries should keep pressing North Korea to give up its nuclear-weapons pursuit, even if it leads to criticism of "having gone down that road before." "Many people will say that," he said. "I think they should go again." (Evan Ramstad, "Blix: N.K. Not a Topic at Seoul Nuclear Summit," *Wall Street Journal*, November 29, 2011)

11/30/11

DPRK FoMin spokesman: "The peaceful use of nuclear energy is the legitimate right of a sovereign state recognized by international law. It also serves as the only way for solving the acute electricity problem in the DPRK as it has vast nuclear energy resources. The DPRK made up its mind to build its own light water reactor according to its economic development strategy given that there was no prospect for getting LWRs whose delivery was promised from outside. **The construction of experimental LWR and the low enriched uranium for the provision of raw materials are progressing apace** in reliance on solid foundation of the self-supporting national economy and the country's latest science and technologies making leaping progress. The DPRK announced at home and abroad the every phase of its nuclear activities for peaceful purposes geared to the production of electricity because it had nothing to afraid of nor hide. It also clarified its flexible stand that any concerns that may arise may be discussed at the six-party talks and it can convince the world of the peaceful nature of those activities through the International Atomic Energy Agency. The U.S. and its allies, however, groundlessly took issue with the DPRK's just nuclear activities for peaceful purposes, deliberately laying a stumbling block in the way of settling the nuclear issue on the Korean Peninsula through dialogue and negotiations. They slandered the DPRK's peaceful nuclear activities while spreading the false stories of "suspicious enrichment in the past" and 'nuclear spread.' They are even making far-fetched assertions that those activities are a "violation" of the September 19 joint statement and a 'stumbling block' in the way of realizing denuclearization. The guarantee of the DPRK's right to the peaceful use of nuclear energy had been recognized as the prerequisite preconditions for denuclearization from the outset of the negotiations for settling the nuclear issue on the Korean Peninsula. That's why the U.S. committed to providing LWRs to the DPRK in the first article of the DPRK-U.S. Agreed Framework. It was also for the same reason that the respect for the DPRK's right to the peaceful use of the nuclear energy and the provision of LWRs were stipulated in the first article of the September 19 joint statement adopted in the six-party talks. Countries outside the NPT are conducting nuclear activities for peaceful purposes. This is a stark reality. This being a hard fact, the hostile forces are charging that the DPRK's independent construction of LWR and the uranium enrichment are contrary to the denuclearization of the Korean Peninsula. This is aimed to render illegitimate the DPRK's right to the peaceful use of nuclear energy and deter it from exercising the right. The right to the peaceful use of nuclear energy is an issue vital for the sovereignty and development of the DPRK and, therefore, neither concession nor compromise should be allowed. The present international situation proves that the unwarranted acts of taking issue with the legitimate right of sovereign states as well as tolerating their violation while reading other's face would entail catastrophic consequences. The process for the denuclearization of the Korean Peninsula is undergoing turns and twists. This is

attributable to the U.S. which is preoccupied with encroaching upon the DPRK's sovereignty and deterring the DPRK from making peaceful development while defaulting on its commitments and duties. The September 19 joint statement stipulates the U.S. commitments to fundamentally ending the nuclear threat and hostile relations and building lasting peace mechanism on the whole Korean Peninsula. **The prospect for the denuclearization of the Korean Peninsula can open only when all the countries concerned honor their commitments in the joint statement on the principle of simultaneous actions. The DPRK is ready to resume the six-party talks without preconditions and implement the joint statement in a phased manner on the principle of simultaneous actions. Pressing unilateral demand on others while not doing what they should do can never be tolerated and the attempt to render the DPRK's peaceful nuclear activities illegal or delay them for an indefinite period will prompt resolute and decisive countermeasures.**" (KCNA, "Experimental LWR Construction: FM Spokesman," November 30, 2011)

"Let me reaffirm that the United States stands with our ally, and we look to North Korea to take concrete steps that promote peace and stability and denuclearization," Clinton said. "Under the current circumstances, we hope all the relevant parties will make joint efforts to resume the six-party talks as soon as possible," Chinese Foreign Ministry spokesman Hong Lei said in response to a question at a daily media briefing today. "All the relevant issues of concern can be discussed within the framework of the six-party talks." (Kim Hyung-jin, "North Korea Claims Progress in Uranium Enrichment," Associated Press, November 30, 2011)

12/1/11

The United States needs more time to decide on possible aid for North Korea because it is not sure humanitarian assistance would reach the people in need, the top American aid official said. Rajiv Shah, the head of the United States Agency for International Development, made the comment amid growing appeals from American and United Nations relief agencies, which have recently called for urgent aid for the most vulnerable of the North Korean population, especially its children. "Our goal is to identify and complete an assessment of whether food aid assistance can effectively be provided in a manner that is transparent and targeted and reaches intended beneficiaries and avoids the risk of graft and misappropriation," Shah said in an interview. In recent weeks, Mercy Corps and four other American relief organizations operating in North Korea have charged that by delaying a decision on aid, Washington was playing politics with humanitarian aid for children. After a trip to North Korea in October, Valerie Amos, the United Nations's top relief coordinator, called for urgent relief for children suffering from widespread malnutrition. After an assessment trip to the North last month, the World Food Program and the Food and Agriculture Organization made a similar appeal. Shah blamed the North Korean government. "We are all frustrated with what is the immense personal suffering that takes place when countries don't create the conditions for effective humanitarian assistance and support," he said. "That's why we are working hard to establish those conditions as a significant prerequisite for engaging in food aid in North Korea this time." (Choe Sang-hun, "Official Says U.S. Needs Time to Assess Aid to North Korea," *New York Times*, December 2, 2011, p. A-14)

ICG: "While many South Koreans had doubts regarding the investigation of the *Cheonan* sinking, the artillery attack against Yeonpyeong Island influenced some views of it. According to a January 2011 public opinion poll, 17.7 per cent of respondents said the artillery attack convinced them North Korea was also responsible for the sinking of the *Cheonan*. The same poll found that 83.6 per cent already believed so and 91.4 per cent said the provocations increased their awareness and concern over national security affairs. However, surveys by Seoul National University's Institute for Peace and Unification Studies (IPUS) indicate the ROK public remains divided over the government's investigation of the *Cheonan* sinking. When asked in 2011 whether they trust the explanation and reason for the *Cheonan* sinking, only 7.1 per cent responded they completely trust the findings, 26.5 per cent generally do, and 31.3 per cent responded "half and half." On the other hand, 26.1 per cent generally do not trust the government's explanation and 9.1 per cent do not believe the results at all. ...In January, only two months after the artillery attack, a poll found that 50.8 per cent of South Koreans believed the Lee government should maintain its policy towards the North, but 43.5 per cent believed the government should shift to a policy of dialogue and compromise. According to the same poll by the daily *Segye Ilbo*, 71.3 per cent of South Koreans were not that concerned about North Korean provocations because they felt the likelihood of escalation to general war was low. The daily *Hankyoreh* found similar public opinion figures in January, though with perhaps a greater emphasis on engaging in talks; 74.8 per cent of those polled believed efforts should be made for an inter-Korea summit to reduce tensions on the peninsula. A majority - 54.4 per cent - believed the Lee government should seek solutions through dialogue, while 42.6 per cent believed it should continue to pressure the North. However, another poll has indicated a strong majority (69.4 per cent) believes Pyongyang should apologize for last year's attacks before Seoul provides humanitarian food aid. Although most South Koreans are exasperated with Pyongyang's behavior, a majority also are dissatisfied with the Lee government's North Korea policy. A recent survey by Seoul National University's IPUS found that 40 per cent are satisfied with the government's policy towards the North but 60 per cent are not. The nationwide poll found a strong correlation between party identification and views on North Korea policy: general approval by GNP voters and disapproval by DP voters. However, independent voters outnumber those who identify with the two major parties, and their views are closer to those of DP voters. And despite general support for Lee's policy, GNP voters believe the next government's priority in North Korea policy should be relieving tensions and increasing inter-Korean exchanges and cooperation. The decline in public support for the GNP was evident after the 27 April 2011 by-elections for three vacant National Assembly seats and the Kangwon Province gubernatorial office. The ruling party's defeat in races for the Pundang National Assembly seat and Kangwŏn Province governor shook the GNP leadership as these areas had been GNP strongholds. Although the races ostensibly focused on local issues, the general sentiment is that the results were an expression of voter dissatisfaction with the a "new GNP" junior leadership group on 11 May 2011 in an effort to implement change and innovation within the party. This group has become a new mainstream part of the GNP, and its members are distancing themselves from President Lee.¹⁹ Now the pro-Lee faction has turned to the group of older party lawmakers for support. Surveys show a steady

decline in support for the Lee administration during the first part of 2011: 49.8 per cent in January; 44.6 per cent in March; 35.1 per cent in April; and 34.9 per cent in May. In July, public support increased to 43.1 per cent when Pyeongchang was awarded the 2018 Winter Olympics, but then continually dropped to reach 36.3 per cent in October. Some have criticized the GNP for disharmony among the party leadership and blame disunity for the April electoral defeats and decline in popularity. The Youido Institute, the party's policy think-tank, has introduced a "new vision" as an initiative to reposition the GNP for the future, but the DP decries it as "populism to attract voters" after the April electoral defeats. The GNP was shocked again when its candidate for Seoul mayor was defeated by a political novice on 26 October 2011. Park Won-sun, a former prosecutor and activist, defeated Na Kyong-won, a prominent GNP National Assemblywoman and former judge. Park, an independent, earned the opposition backing but so far has refused to join any party. Young voters backed him by a wide margin [20-29: 69.3 to 30.1, 30-39: 75.8 to 23.8, 40-49: 66.8 to 32.9, 50-59: 43.1 to 56.5, 60-69: 30.4 to 69.2] leading many analysts to conclude that the GNP has lost touch with the youth. ...The Blue House's problems are now exacerbated by an unfolding scandal surrounding Kim Du-woo, former senior presidential secretary for public information. He is facing bribery charges and is accused of having received South Korean ₩100 million (about \$85,000) from Park Tae-gyu, a lobbyist for Pusan Savings Bank, which was under investigation and closed down for insufficient reserves. Park allegedly sought influence through Kim, a close adviser to the president, to avoid the bank's closure. This marks the first time a presidential secretary has been arrested, and Minister of Justice Kwo Jae-jin instructed prosecutors to investigate President Lee's close advisers and relatives. They wrapped up their investigation on 2 November and indicted 76 people on corruption charges, including Park Tae-gyu, Kim Du-woo and Kim Jong-chang, who until March 2011 had served three years as chairman of the Financial Supervisory Service. Another CEO, Lee Guk-cho, chairman of the SLS Group, has come forward and stated he has provided "gifts, cash and free entertainment" for President Lee's aides, who have, in return, filed a libel suit against the businessman. Lee Guk-cho has been arrested and Shin Jae-min, former vice minister of culture, sports and tourism, is under investigation for allegedly receiving bribes of ₩130 million (about \$113,000) from the SLS Group while he was vice minister in 2008-2009 to influence the workout program for the SLS Ship Company. After the international investigative team released its findings regarding the sinking of the *Cheonan* in May 2010, the Lee government announced a number of measures against the DPRK. These included suspending nearly all agreement that permitted DPRK ships to transit through the Cheju Strait. Now North Korean ships must use considerably more fuel to pass around the South's Cheju Island when traveling from one North Korean coast to the other. The Lee government declared it would honor all previous contracts for investment in the Kaesong Industrial Complex (KIC), but would no longer permit the growing processing-on-commission trade taking place elsewhere. All future investments in KIC would be subject to review. Although the government has softened its position regarding a North Korean apology prior to returning to the Six-Party Talks, any significant policy changes such as re-opening the Kumgang Mountain tourism project or implementing the October 2007 inter-Korean Joint Communiqué will be nearly impossible during the remainder of the Lee Myung-bak presidency. The government gradually has de-linked the Six-Party Talks on denuclearization from inter-

Korean relations and the 2010 attacks. Seoul will return to talks if the prospects for DPRK denuclearization are positive, but the Lee government insists that Pyongyang must take responsibility for the 2010 attacks before the South will provide significant humanitarian and development aid. The new unification minister, Yu Woo-ik, has expressed the desire to introduce greater flexibility in dealing with the North, but any significant changes will require Blue House approval since he serves at the pleasure of the president. Even though the GNP rank and file as well as the public seems to desire a shift in North Korea policy, the incumbent Blue House will remain paralyzed because the 2010 attacks by the North occurred on Lee's watch. There are frequent rumours that the president wants an inter-Korean summit to burnish his legacy, but the substance would have to be attractive to Pyongyang and the Blue House has stated it will not "pay for a summit." ...Conservatives often describe the engagement policies of former Presidents Kim Dae-jung and Roh Moo-hyun as appeasement that resulted in a nuclear North Korea. Supporters and former officials in the Kim and Roh governments argue that North Korea's nuclear tests and accelerated nuclear development were the result of George W. Bush's approach, which they feel exacerbated DPRK's sense of insecurity. While acknowledging the naval clashes of 1999 and 2002, liberals argue the 1999 clash was a clear victory for the South and although the 2002 clash resulted in ROK casualties, the scale and threat of escalation was nothing compared to the events in 2010. Critics of the Lee government argue that Seoul has lost the ability to influence or manage Pyongyang and that the danger of extensive military conflict has increased significantly. They assert that the prospect of sanctions and pressure being successful is bleak; the DPRK has demonstrated extraordinary resilience. Anything short of a complete economic blockade, which is an act of war, probably would not result in DPRK capitulation, and China would not support any sanctions that might destabilize the North. Such an approach also faces criticism on humanitarian grounds in addition to raising the future costs of unification for citizens in the South. Opposition members agree with the Lee government's view that the North Korean nuclear weapons program is the greatest threat to ROK security. However, they disagree over policies to deal with it. Critics argue that policymakers should take Pyongyang's motivations into account, and if the DPRK leadership believes nuclear weapons are necessary to deter external threats, then sanctions and pressure from the ROK are counterproductive because they increase DPRK insecurity perceptions. Furthermore, they argue that the DPRK leadership believes it needs nuclear weapons to deter the U.S., and that the best way for Seoul to assuage Pyongyang's threat perceptions is through a sound inter-Korean relationship. Most agree that the Six-Party Talks is the best mechanism for addressing North Korea's insecurity and that the Lee government has not done enough to ease inter-Korean tensions so the talks can resume. In sum, the opposition believes the current administration has failed to achieve its primary goal of North Korean denuclearization and that its policy on this matter is fundamentally flawed. The counter argument is that Pyongyang must be encouraged to open up, and once it does, it will feel nuclear weapons are no longer necessary. Critics of the Lee government argue the deterioration of inter-Korean relations does not serve the national interest because the risk of escalation and general conflict has risen as a result of government policy. While most South Koreans are frustrated that Pyongyang failed to reciprocate sufficiently after Seoul provided unconditional aid and assistance under

previous governments, many do not believe it is worth antagonizing the DPRK since the North holds hostage the South's development and prosperity. Conservatives argue there is no limit to an appeasement strategy and that it is better to "change the North by refusing to reward bad behavior." The Democratic Party position is that engagement and inter-Korean economic cooperation will bring several benefits:

- ☑ Gains from trade to South Korean firms;
- ☑ Humanitarian relief to needy North Koreans;
- ☑ Reduced tension and lower risk of costly conflict;
- ☑ A reduction in the "risk premium" that negatively impacts foreign exchange markets and foreign investment in the South;
- ☑ Economic improvement and recovery in the North, which would lower the costs of eventual unification;
- ☑ Security externalities, namely in the form of a less belligerent DPRK; and
- ☑ Greater leverage in convincing Pyongyang to denuclearize.

In sum, the left in South Korea considers that the DPRK leadership responds better to positive incentives rather than punishment and sanctions. Many believe more progress on military issues and denuclearization would have been possible if the Lee government had not abandoned the engagement policies of former Presidents Kim and Roh. While this proposition can never be tested or proven, the Democratic Party is prepared to reverse course and seek engagement and reconciliation with the North. The first steps of re-engagement would likely include a declaration of commitment to implement the October 2007 inter-Korean Joint Communiqué and a resumption of humanitarian aid to the North. The details of any engagement effort and the DPRK response would determine how the process unfolds. While reconciliation - or its failure - would have broad implications for the peninsula, an improvement in inter-Korean relations would affect the international community's concerns over humanitarian issues, non-proliferation and regional peace and stability. One such issue is the Northern Limit Line (NLL) and the possibility of establishing a peace zone in the Yellow Sea. The DP's general approach is to revive the vision of former Presidents Kim Dae-jung and Roh Mu-hyun. Although there were differences in the North Korea policies of the two former leaders, their general approach was to engage Pyongyang with the long-term goal of transforming the DPRK so that the two Koreas could converge economically, politically and socially prior to eventual unification. Their strategy was based on a gradual approach of confidence-building measures, starting with simple tasks before tackling harder issues, as envisioned by Lim Dongwon, former unification minister and close adviser to Kim Dae-jung. Roh's objective in seeking to establish the Yellow Sea peace zone was to resolve the disputed area surrounding the NLL and then expand the peace zone over the whole peninsula and region. Some DP members, advisers and activists are now planning to reintroduce efforts to implement Roh's peace zone idea if the party returns to government following next year's elections. Since the next ROK president will not be inaugurated until February 2013, proponents of the peace zone believe this is too long to wait and preliminary planning and preparations should occur now. This includes research and policy analysis, as well as track II discussions with the DPRK, China and the U.S. ...The ROK president has extensive powers over national security and North Korea policy; however, these powers are not unlimited. He nominates the prime minister, who is subject to National Assembly confirmation, and nominally appoints other cabinet ministers in

collaboration with him. However, ministers serve at the pleasure of the president. The Blue House has the initiative in the formation and execution of policies towards the North, but implementation of significant engagement projects requires funding and new legislation from the National Assembly. While business interests recognize the economic value of a peace zone and policy incentives to stimulate greater trade and investment, some might fail to realize the security value of the five north western islands and the waters surrounding the NLL. The Ministry of National Defense (MND) and national security hawks in and out of government firmly believe there can be no compromise on the NLL until there is a fundamental change in the DPRK or a peace treaty to replace the armistice. For example, National Assemblyman Park Jin (GNP), a former ROK Navy officer, views the peace zone initiative as idealistic. He says that although the Roh government sought to reduce the likelihood of conflict in the area, the effort created an opportunity for the North to attack the South, and a peace treaty replacing the armistice will be required to establish any peace zone. The MND's position on the NLL has been consistent for decades and is articulated in a January 2007 MND publication. It states that the NLL is a de facto maritime boundary between the two Koreas pending the negotiation of a new boundary as stipulated in the 1992 inter-Korean "Basic Agreement." However, the official legal position of the Ministry of Foreign Affairs and Trade (MOFAT) is that there is "no maritime boundary" between the two Koreas, and that the NLL is the "de facto military demarcation line in the West [Yellow] Sea which shall be invalidated after the signing of a peace treaty or when otherwise agreed upon between North and South Korea". The MOFAT does not claim the NLL delimitates the territorial waters or an exclusive economic zone (EEZ) of the ROK. Both ministries refute the DPRK claim it has never recognized the NLL. The arguments that the waters south of the NLL are ROK territorial waters are weak, and MOFAT legal specialists recognize this despite assertions to the contrary by others in the ROK government. Since there is no real international legal justification to support the NLL as a maritime boundary, any such ROK claims must be based on the legal concepts of acquiescence and consolidation. However, it is difficult for the ROK to make territorial dewas no public promulgation of the NLL with related claims regarding territorial delimitation, there was nothing for the DPRK to "acquiesce to." Nevertheless, there is a widespread perception in the ROK that the NLL is a maritime boundary and that the waters south of the line are its territorial waters. ...The first step in establishing a peace zone in the Yellow Sea would be renewed commitments to the armistice, the 1992 "Basic Agreement" and the October 2007 inter-Korean Joint Communiqué. After reaffirming these commitments, the two sides could renounce live-fire exercises in the waters between the NLL and DPRK's declared "Military Demarcation Line-Extended." Establishing a "no-fire zone" in this area is not inconsistent with previous inter-Korean agreements and it would not extend legal recognition to the MDL-Extended as a maritime demarcation line. Furthermore, this does not mean the ROK would renounce its right to use force under international law to defend the five islands. The artillery pieces and shells on the ROK islands must be fired periodically to ensure safety and reliability, and military personnel must train to maintain their skills and qualifications. Gunners can use simulators to supplement their training, artillery pieces and shells could be fired offsite, and the artillery pieces could be rotated back to the islands after test-firing and maintenance. This would be inconvenient and more expensive, but would be well worth it if a no-fire zone could be

established in the area. The coastal and maritime areas near the NLL are valuable in terms of security, economic resources, the ecosystem and political symbolism. The extraction of resources in the sea, for example, as well as on and under the seabed is complicated by bargaining over the costs of extraction and the distribution of the benefits. Only by expanding the bargaining space and linking these issue areas to construct a positive-sum agreement can the NLL issue be resolved to the satisfaction of all parties. To ensure sustainable development of the region, some have suggested the establishment of a maritime peace park and ecological preserve. The area is widely known for its blue crab, but the coastal marshes are an important habitat for a number of water fowl and other species, some of which are endangered. Adequate protection of these wildlife resources requires data and conservation measures. An initial confidence-building step might include information sharing and joint research of the local ecosystem. There have been a variety of proposals for joint fishing areas or operations in these waters. South Korea's defense minister travelled to Pyongyang in November 2007 to negotiate the establishment of joint fishing zones, but the talks broke down. South Korean scholars and Democratic Party supporters have proposed the two sides revisit this idea by creating an inter-Korean committee on the issue. They have also proposed the establishment of a joint enterprise to manage fishing operations, to include issues of investments, revenues, management of fishery stocks, etc. If a peace zone is established, it would be demilitarized - essentially extending the demilitarized zone on land into the sea, which the armistice failed to do. But if war ships are excluded, the waters will still have to be patrolled for safety and security reasons. The two Koreas could establish an inter-Korean maritime park police or coast guard for this function. It could provide search and rescue operations as well as patrol for illegal fishing activities. This effort could expand to customs-related inspections in the ports of Haeju in the North and Incheon in the South to ensure that cargoes are not illicit or military and that the peace zone is only utilised by civilian shipping. Institutionalisation of these functions would allow the opening of the North's Haeju port to international shipping and development. In 1973, the DPRK established Haeju as a special international trade port but the plan was never fulfilled. Roh Moo-hyun's vision was to link it with the inter-Korean Kaesong Industrial Complex in the North in an effort to open the DPRK economy and bring eventual political reform. The Democratic Party hopes to resuscitate this idea and expand it to link the economies of the North and the South with China and the region. Electoral victories in 2012 for the Democratic Party or a liberal coalition will be critical to revive Roh's peace zone idea. There is a large number of swing voters, and although the current trend of public opinion is going against the GNP, much uncertainty remains. North Korea policy is not a prominent issue for the average voter unless a sudden and serious inter-Korean crisis emerges around the time of the elections. If a liberal candidate can gain broad public support and capture the presidential election, the implementation of the Yellow Sea peace zone initiative might be only a matter of time." (International Crisis Group, *South Korea: The Shifting Sands of Security Policy*, December 1, 2011)

12/2/11

U.S. Secretary of State Hillary Clinton said Friday that it's still premature to consider a trip to North Korea with its leader turning a deaf ear to international calls for

democratization. On a historic trip to Myanmar apparently as part of the Barack Obama administration's efforts to reach out to despotic rulers willing to "unclench their fists," Clinton said Washington is focusing on an area that shows tangible signs of change. When asked if she will go to North Korea or Cuba, she tersely said no. "I think that if they ever had a leader who did things like begin releasing political prisoners and -- on a wide scale -- set up a system for elections and the like, then we'd think about it," she said in an interview with BBC, according to a transcript released by her department. " But right now, we're focused on what we could see happening here." (Lee Chi-dong, "Clinton Draws Line between Myanmar, N. Korea Regarding Engagement," Yonhap, December 2, 2011)

12/5/11

South Korea will donate US\$5.65 million (about 6.5 billion won) for humanitarian projects in North Korea to UNICEF to benefit about 1.46 million infants, children and pregnant women in North Korea, according to the Unification Ministry. Seoul's contribution will be used to provide vaccines and other medical supplies as well as to treat malnourished children next year, said the ministry. There have been concerns that a third of all North Korean children under five are chronically malnourished and that many more children are at risk of slipping into acute stages of malnutrition unless targeted assistance is sustained. "The decision is in line with the government's basic stance of maintaining its pure humanitarian aid projects for vulnerable people regardless of political situation," Unification Ministry spokesman Choi Boh-seon told reporters. (Yonhap, "S. Korea to Donate \$5.65 Million to N. Korea through U.N.," December 5, 2011)

12/6/11

New intelligence indicates that North Korea is moving ahead with building its first road-mobile intercontinental ballistic missile, an easily hidden weapon capable of hitting the United States, according to Obama administration officials. The intelligence was revealed in a classified Capitol Hill briefing last month. Its existence was made public in a letter to Defense Secretary Leon E. Panetta from five House Republicans. "As members of the House Armed Services subcommittee on strategic forces ..., we write out of concerns about new intelligence concerning foreign developments in long-range ballistic missile development, specifically ballistic missiles capable of attacking the United States," the November 17 letter said. "We believe this new intelligence reiterates the need for the administration to correct its priorities regarding missile defenses, which should have, first and foremost, the missile defense of the homeland." The letter did not say specifically that the missile was North Korean, but it quoted Gates on Pyongyang's mobile ICBM development. The letter was signed by Rep. Michael R. Turner, Ohio Republican and chairman of the subcommittee, and subcommittee Republican Reps. Mike Rogers of Alabama, Trent Franks of Arizona, Doug Lamborn of Colorado and Mac Thornberry of Texas. Officials familiar with the intelligence said government analysts believe the missile could be a variant of North Korea's new Musudan intermediate-range missile, first disclosed publicly in October 2010. Other intelligence indicates that the new ICBM may be under development at a huge missile testing facility on North Korea's western coast. The first indications of Pyongyang's new mobile ICBM were made public in June by Robert M. Gates, who said after a speech in Singapore, "With the continued development of long-range missiles and potentially a road-mobile intercontinental ballistic missile and their

continuing development of nuclear weapons. ... North Korea is in the process of becoming a direct threat to the United States." The new intelligence was discussed during a closed-door briefing in mid-November for the House Armed Services subcommittee on strategic forces and discussed in the letter to Panetta. (Bill Gertz, "North Korea Making Missile Able to Hit U.S.," *Washington Times*, December 6, 2011)

Washington's point man on North Korean and Iranian sanctions urged Seoul yesterday to join the United States in putting stronger pressure on Iran for its recently reported progress on its nuclear program. Although Robert Einhorn, U.S. State Department's special adviser for nonproliferation and arms control, came short of demanding an immediate ban on the importation of Iranian crude oil, observers say the U.S. call could lead Seoul to worsen its already sour relations with Iran. "The United States is reaching out to our friends around the world to join us in sending a strong message [against Iran], and naturally, we look to the ROK to be with us in sending a unified, clear signal," said Einhorn at a hurriedly arranged media briefing in Seoul. The United States announced a series of additional financial and industrial sanctions against Iran on November 21, including its oil industry, two weeks after a report by the International Atomic Energy Agency concluded that Iran has continued pursuing its nuclear weapons program. "The situation in Iran is getting more and more worrisome; the timeline for Iran's nuclear program is beginning to get shorter," Einhorn said. Last year, the United States had also requested that its allies, including Korea, ratchet up sanctions against Iran over its suspected nuclear program. Korea placed sanctions in September of that year, including the suspension of the Seoul branch of Iran's Bank Mellat for two months through last December. (Moon Gwang-jip, "U.S. envoy Asks Seoul for More Iranian Sanctions," *JoongAng Ilbo*, December 6, 2011) Korea is pushing to revise a bilateral pact with the United States that limits the former's ballistic missile range to 300 kilometers with a maximum payload of 500 kilograms by early 2013, a government source said. He pointed out that Seoul has the upper hand in ongoing negotiations with Washington as it plans to purchase as much as 14 trillion won (\$12.3 billion) of weapons from abroad next year, mostly from the United States. "The United States will be pressured to take Korea's growing calls for the revision of the bilateral pact seriously as it is eager to sell weapons such as the Global Hawk, which carries a payload of 1 ton and flies more than 22,000 kilometers," the source said. According to a military source, Korea is also seeking to buy long-range cruise missiles with a range of 370 kilometers and a warhead of 450 kilograms from the United States for 400 billion won. Citing an unnamed government official, *Munhwa Ilbo* claimed today that the Lee Myung-bak administration plans to conclude its ongoing negotiations with Washington by the end of its term in office, February 2013. "The government aims to increase the military's maximum ballistic missile range from 300 to 800 kilometers and the warhead mass from 500 to 800 kilograms," the paper reported. Some argue that the range should be more than 1,000 km to bring all of North Korea within reach and the payload weight to more than 1 ton. Top officials from the Ministry of National Defense and Cheong Wa Dae neither confirmed nor denied this. However, they admitted that Seoul has been actively seeking to amend the bilateral pact. "We agree on the need for seeking additional measures as North Korea's ballistic missile capability has more than doubled in the past 10 years," a senior defense official said,

asking for anonymity. (Lee Tae-hoon, "Seoul Seeks to Revise Missile Pact with U.S.," *Korea Times*, December 5, 2011)

A group of Americans is in North Korea to kick off a project to build 50 homes for families working at a tree farm in Osan-ri outside Pyongyang. Six volunteers affiliated with the Fuller Center for Housing will work side-by-side with North Koreans on the 50-unit project. (Associated Press, "Team of Builders from U.S. Arrives in North Korea to Build 50 New Homes for Tree Farm Workers," December 6, 2011)

12/7/11

Korean and U.S. officials have apparently been unable to reach an agreement on key issues in a fourth round of talks to revise the bilateral nuclear energy pact. Park Ro-byug, the Korean envoy for the talks, and Robert Einhorn, the U.S. State Department's special adviser for nonproliferation and arms control, discussed whether South Korea should be allowed to reprocess its own spent nuclear fuel rods. A diplomatic source in Seoul said, "The major obstacle in the negotiations is the suspicion that Korea is seeking to pursue its own nuclear program." The U.S. is apparently concerned because South Korea in 2000 attempted to enrich uranium using laser enrichment technology and may try to do that again. Seoul at the time claimed some scientists enriched uranium out of academic curiosity to separate a substance called gadolinium but the government had nothing to do with it. It added only 0.2 g of uranium was enriched, demonstrating that there were no ulterior motives behind the move. But the U.S. did not believe Seoul's claims. Some U.S. officials even proposed raising the issue at the UN Security Council. (*Chosun Ilbo*, "Korea-U.S. Stuck over Nuclear reprocessing," December 8, 2011) Under a 1974 treaty with the United States, the South agreed to refrain from using those technologies, which can be used to create fuel for nuclear power plants, but also to make nuclear weapons. They began talks a year ago to rewrite the treaty. South Korea wants the ban lifted, arguing that it desperately needs to reprocess its accumulating spent fuel from nuclear reactors to reduce its stored waste. It also wants to use reprocessing and enrichment to secure fuel supplies for its expanding nuclear power industry. The country aspires to meet 60 percent of its electricity needs with nuclear power by 2030 and become a global exporter of nuclear reactors. The United States supports a revised agreement that "will reflect the increased importance that the Republic of Korea is playing in the global nuclear energy arena," Einhorn said yesterday in Seoul. Park Ro-byug, said the current agreement was drafted in the days when South Korea was what he called a "unilateral recipient" of American help in civil nuclear engineering. He said it was time for the two allies to create a "mutually beneficiary" treaty that acknowledges South Korea as a global player in peaceful uses of nuclear power. Behind such diplomatic talk lurk the two nation's different views on uranium enrichment and reprocessing spent fuel. "The United States opposes the spread of enrichment and reprocessing even to South Korea, because it wants to set an absolute standard to prevent nuclear weapons proliferation," said William Tobey, a senior fellow at the Belfer Center for Science and International Affairs at Harvard University. "While Seoul does not pose such a threat, a hard-and-fast standard will be the strongest bulwark against weapons proliferation by other states." Song Min-soon, a former South Korean foreign minister who is now an opposition lawmaker, said the negotiations would "serve as an important test" of how the United States wants to be regarded by South Koreans. "If they pressure South

Korea too much, it might spawn anti-American sentiment," he said, along with what he characterized as "calls for a nuclear sovereignty." North Korea has built its nuclear bombs with plutonium obtained by reprocessing spent nuclear fuel. Last week, it said it had also made rapid progress in uranium enrichment. "Any hope of curbing the North's nuclear weapons program must entail like restrictions on the South," Tobey said. (Choe Sang-hun, "U.S. and South Korea Resume Negotiations on Nuclear Technology," *New York Times*, December 7, 2011, p. A-10)

The two Koreas held secret talks last month on reunions of Korean families separated by the Korean War but failed to agree due to North Korea's demand for large-scale rice assistance, a South Korean civic leader said. Kim Kyu-cheol, the head of the South-North Forum, a South Korean organization for inter-Korean economic cooperation, said, "I understand that South and North Korean officials held two rounds of talks in Beijing last month on reunions of separated families on Lunar New Year's Day next year." "The North demanded that the South provide 50,000 tons of food and resume inter-Korean economic cooperation projects, but the South rejected this." Kim said the meetings were not high-level negotiations but working-level contacts for expressing mutual positions, adding, "After the talks collapsed, Pyongyang began to blatantly denounce Seoul." (*Dong-A Ilbo*, "'2 Koreas Held Secret Talks on Family Reunions Last Month,'" December 8, 2011)

Since a conservative government took power in 2008, indictments have shot up under a South Korean security law that makes it a crime to praise, sympathize or cooperate with North Korea. More than 150 were questioned and 60 charged in 2010, up from 39 questioned and 36 charged in 2007, officials say. In another sign of stepped-up enforcement, a South Korean government agency launched a team today that will examine Facebook and Twitter posts and smartphone applications to cope with what it says is a growing volume of illicit content, including violations of the security law. South Korean Prosecutor-General Han Sang-dae defended tough measures against those who praise the North, calling it "a national misfortune if there are still people who have yet to abandon illusions about North Korea." He vowed in a speech in August to "declare war" on North Korean sympathizers: "They must be punished and removed." (Associated Press, "South Korea Steps up Enforcement of Cold War-Era Law Banning Praise of North Korea," December 7, 2011)

The Japanese government pledged in a document it submitted to the Chinese government early this year that Japan will not bring North Korean defectors into Japanese diplomatic establishments in China to protect them, it has been learned. The document says Japan "will respect China's domestic laws and will not bring defectors from outside diplomatic establishments into the diplomatic establishments," according to Japanese government officials. It was submitted at the request of the Chinese government, the officials said. The Japanese government apparently gave in to pressure from China, a supporter of North Korea, and virtually gave up protecting North Korean defectors. According to the officials, the government submitted the document during negotiations with the Chinese government over the transfer to Japan of five North Korean defectors, who were taken into protective custody by the Japanese Consulate General in Shenyang, Liaoning Province, in 2008 and 2009. The

Chinese government claimed the defectors were "illegal border crossers" and refused to allow them to leave China. Therefore, they had been stuck in the country from about two years to two years and eight months. To break the deadlock, the Japanese government late last year conveyed a verbal message to the Chinese government that Japan "will heed" China's stance that Japan "should not protect North Korean defectors." In response, the Chinese Foreign Ministry softened its attitude, but Chinese public security authorities were reluctant to accept Japan's message. As a result, they pressured the Japanese government to make a written pledge stating, "The Japanese government highly praises China's past response that allowed North Korean defectors to go to Japan. From now on, we will not bring [North Korean defectors] from outside diplomatic establishments [into them]." After the government submitted the document to the Chinese government, the five North Korean defectors were allowed to leave for Japan by May. (*Yomiuri Shinbun*, "N. Korean Defectors to Get No Help; Govt. Promises China It Won't Give Sanctuary, December 9, 2011)

12/8/11

The U.S. special envoy on North Korea urged the communist country to continue talks with South Korea over its nuclear weapons program, indicating it is an "essential" first step toward a resumption of multilateral nuclear disarmament talks. The comments by Glyn Davies, the U.S. special representative for North Korea policy, came as both Seoul and Washington are weighing the possibility of additional dialogue with Pyongyang over the resumption of stalled six-party talks. "We are emphasizing to the North ... the importance to us of North-South dialogue," he told reporters at the foreign ministry in Seoul, after emerging from nearly two hours of talks with Lim Sung-nam, South Korea's chief envoy to the six-nation forum. "That is an essential element of our ability to get back to the six-party talks eventually." When asked if the U.S. has been in contact with North Korea through its mission to the United Nations, diplomatically dubbed the "New York channel," Davies responded affirmatively. "Those contacts with the North Koreans continue," he said. "I hope that at some point in the not too distant future we will have an opportunity to get back to the table with them, but quite frankly, we are not interested in talks for talks' sake." "They need to indicate to us that they are prepared to take concrete steps to make it worth our while to get back into the six-party process." (Lee Haye-ah, "U.S. Envoy Urges N. Korea to Continue Nuclear Talks with S. Korea," *Yonhap*, December 8, 2011) DoS: **SPECIAL REPRESENTATIVE DAVIES:** We have had two sets of exploratory talks with North Korea, the most recent in Geneva a few weeks ago, and the purpose of those talks is to ascertain, to determine whether or not the DPRK is willing to fulfill its obligations under the 2005 Joint Statement and under the Security Council Resolutions. We are looking for a signal of seriousness of purpose that they are ready to do that. Those contacts with the North Koreans continue. I hope at some point in the not-too-distant future we will have an opportunity to get back to the table with them. But quite frankly, we are not interested in talks for talk's sake. They need to come to us, they need to indicate to us that they are prepared to take concrete steps to make it worth our while to get back into the Six-Party process. And in terms of the issue of sequencing, which I think is part of the question that you raised, we are emphasizing to the North, as I said in my opening statement, the importance to us of North-South dialogue. That is an essential element of our ability to get back to the Six-Party Talks eventually. In addition to all of the things I outlined that it's important that North Korea do, part of that process is that we need to

see that there is the appropriate sort of engagement between North and South Korea. And so this is something that we will continue to emphasize to the DPRK and we certainly hope that the contacts between the DPRK and the ROK continue.” (Ambassador Glyn Davies, Remarks to the Press at MOFAT, Seoul, December 8, 2011)

Carlin and Lewis: “The legacy of the late North Korean leader Kim Il-sung’s decision in the early 1990s to pursue a strategic partnership with the United States has run its course. In its place, the focus of Pyongyang’s policies has decisively shifted to Beijing. However wary the North Koreans may be of their neighbor, the fact is that from Pyongyang’s viewpoint, the Chinese have delivered and the United States did not. Any shards remaining from the North’s previous, decades-long effort to normalize ties with the U.S. were swept away by current leader Kim Jong-il’s trip in May to China, his third in barely a year. Based on our discussions with Chinese officials, we believe that during that visit, Pyongyang and Beijing came to an understanding that, in preparation for planned, major domestic political events in 2012, both sides require sustained political stability, a convergence of interests that provides the opportunity for expanding bilateral relations beyond anything enjoyed in the past. The North is building toward a “prosperous and powerful” nation in celebration of the Kim Il-sung centenary in April; the Chinese are looking toward their 18th Party Congress scheduled for late next year. In both cases, it was apparently decided, stability on the Korean peninsula would serve economic programs and the succession of a new generation of leaders. In the arrangements — formal and informal — that emerged from Kim Jong-il’s discussions with his hosts, Pyongyang agreed not to “make trouble” (as the Chinese described it to us) in the short term, presumably meaning no deliberate military provocations, no third nuclear test and no launch of another ballistic missile. Beyond that, the talks ended in a compromise that neither side found entirely satisfactory. Kim came away with less aid and a smaller Chinese commitment of support than he had sought, though Pyongyang typically asks for more than it can get.” We believe that this pivot toward Beijing is no routine oscillation in North Korean policy. The drive to normalize relations with the U.S. from 1991 to 2009 had been real, sustained and rooted in Kim Il Sung’s deep concern about the regime’s future in the aftermath of the collapse of the Soviet Union. Perhaps there was no better demonstration of the North’s approach in those years than the situation on Oct. 25, 2000 – the 50th anniversary of the entry of the Chinese People’s Volunteers into the Korean War. Who was in Pyongyang on that date meeting Kim Jong Il? The Chinese defense minister? No, he was cooling his heels while Kim met with the U.S. secretary of State. That was no accident of scheduling on Pyongyang’s part; it would not happen again today. If the paradigm shift is real, we expect the North in the near to medium term to make far less overt trouble. Less tension on the Korean peninsula? What could be wrong with that? Nothing, as long as it is understood that such tranquillity will also provide a veil for the North’s continuing pursuit of nuclear weapons and increasingly sophisticated delivery systems. With the onset of stability and growing Chinese-North Korean cooperation, Pyongyang may well calculate that the outside world’s focus on the North Korean nuclear program will become diffuse. Indeed, the North Koreans have long assumed that given enough time, the world would resign itself to their nuclear weapons, as happened with India and Pakistan. To help things along, it isn’t out of the question that Pyongyang might even agree to some U.S. efforts to contain the nuclear program through a series of what Washington

calls "pre-steps." The North has repeatedly expressed willingness to consider discussion of its uranium enrichment program and moratoriums on missile and nuclear tests. As unilateral actions, these would have short-term benefits by further stabilizing the situation to provide additional room for discussions. But in the absence of long, serious negotiations between the two sides, they will turn out to be no more meaningful than the ill-considered agreements of the now moribund six-party talks. (Robert Carlin and John Lewis, "North Korea's New Course," *Los Angeles Times*, December 8, 2011)

12/11/12 Prospects are dim for South Korea and the United States to hold a new round of bilateral meetings with North Korea, though diplomatic efforts are under way to organize fresh talks, a senior government official said. The official told reporters that it "appears to be difficult" to hold new talks with the North before the end of the year. "The U.S. and the North as well as the South and the North have been exchanging signals, but it is still insufficient," the official said on condition of anonymity. "There is a diplomatic maxim that unless everything is agreed, nothing is agreed." (Yonhap, "New Round of Bilateral Nuclear Talks with N. Korea Unlikely before Year's End: Official," December 11, 2011)

12/12/12 The Nuclear Security Summit in Seoul next year could put "considerable pressure" on North Korea to halt its uranium enrichment program (UEP) if other nations declare an end to their use of highly enriched uranium, South Korea's foreign minister said. "We expect many countries to give up their highly enriched uranium at the summit next year," Foreign Minister Kim Sung-hwan said in a speech to local business leaders. "This could also put considerable pressure on North Korea." (Lee Hye-ah, "Nuclear Summit Could Pressure N. Korea to Halt Uranium Enrichment," December 12, 2011)

ROK Coast Guard officer killed in a clash with Chinese fisherman suspected of illegal fishing in waters of the West Sea.

12/13/11 North Korea and the United States could still hold a third round of bilateral talks this month to revive the stalled six-nation negotiations on ending the North's nuclear weapons programs, a diplomatic source said. North Korean and U.S. officials have recently had behind-the-scenes contact, where the two sides apparently further narrowed differences on pending issues, including the North's denuclearization steps and Washington's possible resumption of food aid to Pyongyang, according to the source. "Depending on the situation, a possibility of holding a third round of meetings between North Korea and the U.S. before the year's end can not be ruled out," the source said on the condition of anonymity. The source said the third round could take place "in the middle of this month." (Yonhap, "N. Korea, U.S. Likely to Hold Nuclear Talks This Month: Sources," December 13, 2011)

12/14/11 U.S. and North Korean officials may meet for a third round of high-level talks this month to discuss conditions for the resumption of six-party nuclear disarmament talks. They have apparently been in contact through North Korea's UN mission in New York and narrowed differences about the prerequisites for the third round. A government official said, **"To my knowledge, Washington and Pyongyang have agreed in**

principle to the North halting its uranium enrichment program, which is a key step in the process of denuclearization, and admitting IAEA inspectors, while the U.S. provides assistance in return." Glyn Davies, the U.S. envoy to the six party talks, on December 12 hinted that the talks may resume soon. "We may have a chance in a coming period relatively soon to test their proposition that North Korea is ready to do the right thing... so that we can begin to contemplate an eventual return to the six-party talks," Davies told reporters in Tokyo. (*Chosun Ilbo*, "More U.S.-N.Korea Talks in the Cards," December 14, 2011)

Senior officials from North Korea and the United States plan to meet in Beijing this week to discuss a possible resumption of food aid by Washington to Pyongyang, a diplomatic source said. Robert King, U.S. special envoy for North Korean human rights, headed to Beijing on for the talks, set for Thursday, with Ri Gun, director general for North American affairs at North Korea's foreign ministry, the source said on the condition of anonymity. "To my knowledge, special envoy King will hold a meeting with Ri Gun, who is now in Beijing to discuss the issue of nutrition assistance," the source said. Ri arrived in Beijing yesterday. The U.S. has been considering an appeal from North Korea for food aid and sent a team in May of this year to assess the needs of the impoverished country, but is withholding its decision because of monitoring concerns. King and Ri are expected to discuss terms of a possible resumption of food aid, including what kind of food should be provided or how to monitor the distribution of such assistance, the source said. (Yonhap, "N. Korea, U.S. to Hold Talks on Possible Resumption of Food Aid: Source," December 14, 2011)

North Korea's light water reactor is a safety concern because of the country's lack of expertise in the area, according to U.S. scientist Siegfried Hecker, who first revealed the existence of North Korea's uranium centrifuge facility to the world in November 2010.

"My largest concern is going to be the safety of that reactor. The light water reactor has very different critical requirements from gas-graphite reactors. And North Korea's light water reactor has a different design," Hecker, co-director of Center for International Security and Cooperation at Stanford University, said at a forum in Seoul. "They have no experience with this reactor. This is technically very difficult." As for the status of North Korea's nuclear program, he said North Korea has yet to miniaturize warheads to fit onto missiles. "Speaking as a technical person, there is no question they have designs for miniaturized warheads. There are lots of designs that can be looked at on the Internet. Those do not make a miniaturized bomb," Hecker said. "The best way to gauge as to when North Korea will have that capability is to see when they do the next nuclear test."

If the next nuclear test is successful, then within a few years time, they may be able to actually miniaturize a warhead and put it on a missile, Hecker said. "They will probably need more tests, missile flight tests for sure." Hecker said the North has 24 to 42 kilograms of plutonium which could create four to eight nuclear bombs. He said the six-party talks are the most effective way to reduce nuclear threats and urged regional powers to re-engage with Pyongyang to stop an escalation of the nuclear risk. (Kim Yoon-mi, "N.K. Light-Water Reactor a Safety Risk," *Korea Herald*, December 14, 2011) Hecker said at a forum in Seoul that he suspects the North is only one nuclear test away

from being able to mount a nuclear warhead on a missile. "If North Korea conducts a third nuclear test, that will be very risky," Hecker told a breakfast forum in Seoul. "If another of the North's nuclear tests is successful, I believe that North Korea will succeed in the necessary miniaturization within a few years." (Moon Gwang-lip, "Hecker Warns of North's Capabilities," *JoongAng Ilbo*, December 15, 2011)

12/15/11

The United States agreed to provide up to 240,000 tons of food aid to North Korea in two days of talks held in Beijing, diplomatic sources in Seoul said Saturday, noting the agreement could help ensure progress at a fresh round of nuclear negotiations scheduled for later this month. The sides, the sources said, "**reached the agreement based on North Korea's pledge to implement initial measures of denuclearization that include a suspension of its uranium enrichment program.**" U.S. special envoy on North Korean human rights Robert King, speaking to reporters shortly after his meeting in Beijing, said the talks were "constructive" and that he will report the outcome of the meeting back to Washington. North Korea, suffering from chronic food shortages, is said to have requested rice, but the sources in Seoul said the U.S. assistance will largely consist of biscuits and vitamin supplements for infants. "It appears the North has also agreed to address the United States' monitoring concerns," a source said while speaking on condition of anonymity. The assistance will be delivered in shipments of 20,000 tons for the next 12 months, the sources said. (Yonhap, "U.S., N. Korea Agree on 240,000 Tons of Food Assistance: Sources," December 17, 2011) U.S. officials have resumed talking to North Korea about providing food aid to the impoverished country, proposing that it accept nutrition-rich items – such as Plumpy Nut peanut paste – that are considered less likely to be diverted to the North Korean elite. In lieu of foods like rice and beans that in the past have ended up in the bowls of North Korea's military, U.S. officials say they want to send vitamin supplements, high-protein biscuits and Plumpy Nut, a high-breaking nearly three years of silence on the issue, U.S. officials began meetings with North Korean officials about food aid in Beijing. State Department officials refused to disclose details about the talks, which were expected to continue Friday, but acknowledged the key issue being hammered out is the inclusion of nutritional supplies and other ways to ensure that aid goes to the North Korean public. "When you think about food, you think about sacks of rice, cans of food, things that might easily be diverted to the wrong purpose," said State Department spokeswoman Victoria Nuland. By comparison, the broader term "nutritional assistance" now being used includes items aimed at "populations in need and would not find themselves on some leader's banquet table." (William Wan, "U.S., North Korea Resume Talks on Food Aid," *Washington Post*, December 15, 2011) The U.S. envoy for North Korean policy said **Washington** was making no linkage between talks between the two countries on food aid and trying to get the reclusive nation back to the table to discuss its nuclear program. Robert King, the State Department's special envoy for human rights in North Korea, was meeting with North Korean officials in Beijing to discuss Washington's conditions for resuming aid halted in 2009 amid disagreements over transparency and monitoring. U.S. officials have cautioned that no decision was imminent. "The short answer is there isn't any linkage between this issue of the provision of nutritional assistance to North Korea and this broader discussion that we hope to have with the North at the right time, if they do the right thing, on these issues related to

denuclearization," Special Representative for North Korea Policy Glyn Davies told reporters in Beijing. "But I will say that we are paying close attention to how these talks on nutritional assistance go. We are looking for the north to engage in those discussions in good faith," he added. "There's no reason that these talks will be long and protracted and drawn out. The issues are relatively straightforward. We'll be watching it but that's about the extent that I'll say there's a read across or cross over here." Davies said King's talks in Beijing would center on the "modalities" of providing food aid. "We need the right degree of cooperation from Pyongyang and from the government, we need the right degree of access for our people and we need to ensure that this nutritional assistance goes to the populations that need it," Davies said. "We have a good idea of what's needed for the undernourished populations in North Korea, so this should not be a difficult set of discussions on nutritional assistance. It'll be watched for what the North Koreans bring to the table and how well these discussions go." (Sui-Lee Wee, "U.S. Says No Nuclear Link with North Korea Food Talks," Reuters, December 15, 2011) U.S. officials say food aid to North Korea could resume depending on whether Pyongyang can provide the necessary monitoring assurances in talks between the sides that began today in Beijing. U.S. special envoy for North Korean human rights issues Robert King and senior U.S. aid official Jon Brause met with North Korea's director-general for American affairs, Ri Gun. The talks are expected to last at least two days and are to focus on strict monitoring mechanisms should the U.S. decide to give aid. In Beijing for talks with Chinese officials, new U.S. envoy on North Korean affairs Glyn Davies said it was up to North Korea to create the conditions for new bilateral discussions. "We need them to provide the right assurances, the right signals, at which point, and it could be at some point soon, I'm not certain, no crystal ball, we'll be able to get back to them for a third round," Davies told reporters following his meetings. He said his talks with Chinese officials centered on how to restart the six-nation talks in a way that produces solid progress "so that we don't find ourselves in a situation similar to what we've had before where we've gone into talks and they haven't ultimately borne fruit." (Christopher Bodeen, "U.S. and North Korea Hold Food Aid Talks in Beijing," December 15, 2011)

North Korea is estimated to surpass the record high of \$5 billion in its trade this year. Its trade with China totaled \$4,665 million during the first 10 months of the year, a figure exceeding the nation's trade of \$4,170 million for the whole of last year, according to the statistics compiled by the Ministry of Unification. "North Korea's total trade has already exceed the \$5 billion mark when the trade value with Russia and other socialist nations are counted and the monthly volume increases as the year comes to the end," said a North Korea expert. "As a result, North Korea's trade is certain to reach \$5.5 billion more or less." (*Korea Times*, "North Korea Tops \$5 Billion in Trade This Year," December 15, 2011)

12/16/11

The main opposition Democratic Party was officially reborn as the new Democratic Unified Party in an attempt to prosper in next year's general and presidential elections. The joint merger committee resolved Friday to start the new party, which will embrace the DP, the Citizen Integration Party and the Korean Federation of Trade Unions. The consolidation of the DP and the CIP, which mostly consists of those loyal to the late President Roh Moo-hyun, sees the reunion of long-separated liberal politicians and

leading figures of the former Roh administration. The committee also nominated a provisional council to lead the party until January 15 when a national convention will be held to elect a six-member decision-making body including the chairperson. DP lawmaker Rep. Won Hye-young and CIP leader Lee Yong-seon are to co-chair the council, officials said. As some 20 figures set out to challenge for the party presidency, an internal cutoff election is to take place on December 26 to narrow them down to nine candidates. "The DP will be reborn as a larger and stronger party," said chairman Rep. Sohn Hak-kyu in the party's last general and Supreme Council meeting held this morning. Sohn, together with senior members Reps. Chung Dong-young and Chung Sye-kyun, thus stepped down from the DP council to gear up for the presidential race in November. (Bae Hyun-jung, "DP, Pro-Roh Group Unite for New Party," *Korea Herald*, December 16, 2011)

The Grand National Party yesterday took a first step toward pulling out of a downward spiral by allowing presidential front-runner Park Geun-hye to become an interim leader and take control of the party's internal reforms. (Ser Myo-ja, "Park Takes Rein of GNP Stressing Unity and Reform," *JoongAng Ilbo*, December 16, 2011)

12/17/11 Kim Jong-il dies of a heart attack.

President Lee Myung-bak urged Japan in an unusually strong tone to resolve long-running grievances over Tokyo's wartime sexual enslavement of Korean women, calling the issue a "stumbling block" in relations between the two countries. Lee made the appeal during what officials described as "tense" summit talks with Japanese Prime Minister Noda Yoshihiko held in Kyoto under the shadow of fresh tensions over the issue of the so-called "comfort women." "South Korea and Japan should become true partners for peace and stability in the region, and for that, we need to have the genuine courage of resolving as a priority the issue of military comfort women, which has been a stumbling block between the two countries," Lee said at the start of the meeting. (Chang Jae-soon, "Lee Strongly Urges Japan to Resolve 'Comfort Women' Issue," *Yonhap*, December 18, 2011)

12/19/11 North Korea test fired a short-range missile on the east coast hours before the death of its leader Kim Jong-il was announced. According to local news reports, the South Korean government confirmed that North Korea conducted a missile test around 8 a.m. The number and type of missile fired was not confirmed. The exercise, however, is thought to be unrelated to the death of Kim Jong-il. "The event is an issue the (South Korean) military has been tracking, and it is thought to be unrelated to Kim Jong-il's death," an unnamed government official. Pyongyang has conducted several drills firing surface-to-air missiles this year, and was reported to be preparing to test a ground-to-ship missile from a base in North Korean part of Gangwon Province. (*Korea Herald*, "N.K. Tests Missile in East Sea before Announcing Ki's Death," December 19, 2011) "I think there will be no immediate turbulence in the North's internal politics or foreign affairs," said Paik Hak-Soon of Sejong Institute. The North's media urged people to follow the leadership of Jong-Un, with the state news agency dubbing him the "great successor".

"All the party members, servicepersons and people should remain loyal to the

guidance of respected Kim Jong-Un and firmly protect and further cement the single-minded unity of the party, the army and the people," it said. "This clearly indicates that Jong-Un is already firmly in power, and all key officials under Kim Jong-Il have decided for the past two days since Kim's death to support Jong-Un as the new leader," Paik said. "The North's top guys have already sorted out everything, and the regime seems to be stable under the new leadership. I don't expect any major turbulence or power struggle within the regime in the foreseeable future." "The Kim Jong-Un era has already started." Kim Jong-Il's only sister Kim Kyong-Hui and her husband Jang Song-Thaek are expected to act as his mentors and throw their weight behind the son's leadership. Baek Seung-Joo of the Korea Institute for Defense Analyses said the North had fully prepared for Kim's death since his August 2008 stroke. "For a while the military and Kim's family will try to uphold Kim Jong-Un as their leader and unite around him," Baek said. "Kim Jong-Un is not expected to seek any drastic policy change while trying to cement his leadership. He will try to share power or set up a strategic alliance with top military leaders," Baek said. "A power struggle is possible in the future, creating an obstacle to his succession because Jong-Un did not secure full public support," he said. Kim Tae-hyun, a professor at Seoul's Chung-Ang University, agreed that the son appears to be in charge with military and party backing -- and that the regime has a vested interest in maintaining the status quo. But Paik said the new leadership was unlikely to take a confrontational approach towards its old enemies the United States and South Korea for some time. "It needs lots of aid and daily necessities to provide to its people to mark the major political anniversary in 2012," he said. "Regarding nuclear talks, the North will also likely take a more cooperative stance to get what they want," Paek said. "They will probably come forward to renew negotiations with the US once the mourning period is over." (AFP, "North-Korea Watchers Says Kim's Son Firmly in Power - For Now," December 19, 2011)

SecState Clinton statement: "With the passing of National Defense Commission Chairman Kim Jong Il, the Democratic People's Republic of Korea is now in a period of national mourning. We are deeply concerned with the well being of the North Korean people and our thoughts and prayers are with them during these difficult times. It is our hope that the new leadership of the DPRK will choose to guide their nation onto the path of peace by honoring North Korea's commitments, improving relations with its neighbors, and respecting the rights of its people. The United States stands ready to help the North Korean people and urges the new leadership to work with the international community to usher in a new era of peace, prosperity and lasting security on the Korean Peninsula." (Secretary of State Clinton, Press Statement, The Passing of National Defense Commission Chairman Kim Jong-il, December 19, 2011)

Kim Jong-il, the North Korean leader who realized his family's dream of turning his starving, isolated country into a nuclear-weapons power even as it sank further into despotism, died on December 17 of a heart attack while traveling on his train, according to an announcement by the country's state-run media. Word of Kim's death sent shock waves through North Korea's Asia neighbors and reverberated around the world, reflecting the unpredictable outcome of an abrupt leadership change in one of the most opaque and repressive countries. South Korea immediately put its armed forces on a high state of alert, and the South Korean news agency Yonhap reported

that North Korea tested an unspecified number of short-range missiles this morning. The news agency said the tests were conducted before the announcement of Kim's death. The Defense Ministry in Seoul said it could not comment on the report. The North had kept news of the death of its leader secret for roughly two days, perhaps a sign that the leadership was struggling to position itself for what many believe could be a particularly perilous transition. A few hours after the announcement, the ruling Workers' Party and other state institutions released a joint statement suggesting Kim's chosen successor, his youngest son, Kim Jong-un, was in charge. The statement called the son "the great successor to the revolution" and "the eminent leader of the military and the people." It was the first time North Korea referred to the son as "leader" since his ailing father pulled him out of obscurity in September last year and made him a four-star general and vice chairman of the Central Military Commission of the Workers' Party. The Workers' Party said that "Under the leadership of our comrade Kim Jong-un, we have to turn sadness into strength and courage, and overcome today's difficulties." KCNA said North Korean soldiers and citizens were swearing allegiance to Kim Jong-un. People on the streets of Pyongyang broke into tears as they learned of Kim's death, The Associated Press reported from Pyongyang. Kim's death poses a moment of peril for both Washington, the North's nemesis, and Beijing, its last protector. "We're entering a period that is especially dangerous," said Jim Walsh, a professor at M.I.T.'s security studies programs who has met in recent months with several North Korean delegations as part of the behind-the-scenes, unofficial contacts from which the United States has gleaned some understanding of the power plays in Pyongyang. "Here is a young leader who may be distrusted by the military, and he has to prove himself," he said of Kim Jong-un. "And that can lead to miscalculation and inadvertent war." The White House, in a terse statement, said it was "closely monitoring reports that Kim Jong Il is dead. The President has been notified, and we are in close touch with our allies in South Korea and Japan." In a brief additional line, Obama's spokesman added: "We remain committed to stability on the Korean peninsula, and to the freedom and security of our allies." That seemed to be a soft warning to the North Koreans not to engage in any violence. "There are a whole range of scenarios for when Kim dies," one former American military commander in South Korea said recently, insisting on anonymity because he was discussing classified American response plans. "Anyone who tells you they understand what is going to happen is either lying or deceiving himself." The Obama administration was engaged in urgent consultations with South Korean officials yesterday evening. President Lee Myung-bak of South Korea and President Obama talked by telephone and agreed to closely cooperate in assessing the situation in North Korea, Lee's office said. The administration has done elaborate "war-gaming" on the repercussions of Kim's death, the official said, and that planning will now be put to the test. One area of concern is the potential for tension, or even military clashes, between the North and South during the leadership transition in Pyongyang. In 1994, after Kim Jong-il's father died, South Korea put its military forces on high alert, raising tensions. The United States had held meetings with North Korean diplomats, in what was viewed as a preliminary step toward possible multilateral talks over its nuclear program. But those contacts did not appear extensive enough to provide a channel of communication during this period. For now, the administration official said, the administration's top priority is on keeping a high-level dialogue with South Korea. Japan's foreign minister, Genba Koichiro, is in Washington on other

business, and will meet today with Secretary of State Hillary Rodham Clinton. (Choe Sang-hun and David E. Sanger, "North Korea Says Dictator Is Dead after 17-Year Rule," *New York Times*, December 19, 2011, p. A-1)

North Korea and the United States are highly likely to delay bilateral nuclear talks set for this week in Beijing, a senior Seoul official said. "In the wake of the North Korean leader Kim's death, it would be difficult for the two sides to hold the talks in Beijing this week," the official at Seoul's foreign ministry said. (Yonhap, "N.K.-U.S. Talks Likely to Be Delayed," *Korea Herald*, December 19, 2011)

12/20/11

South Korea decided not to send its government mourning delegation to the funeral of North Korea's leader Kim Jong-il slated for December 28, while conveying "consolation" to the people in the communist state, Seoul's unification minister said. But it will allow the bereaved families of former President Kim Dae-jung and Chung Mong-hun, former chairman of Hyundai Asan, to attend it, in return for the visits by the North to their funerals here in August 2009 and in August 2003, respectively. "The government decided not to send its delegation to the funeral, except for the two surviving family members who are former First Lady Lee Hui-ho and Chung's widow Hyun Jung-eun," Minister Yu Woo-ik said in a press briefing at Cheong Wa Dae. Yu read the statement after President Lee Myung-bak and other security- and diplomacy-related ministers convened a special meeting on how to deal with the demise of the enigmatic leader. The issue concerning whether to send the delegation and express condolences to the North, which has in any case said it would not host foreign delegations, had emerged as a hot-button issue with people sharply divided along ideological lines. The statement also said that given the North's mourning period until December 29 -- a day after the funeral in Pyongyang, Seoul will recommend the suspension of plans to light up Christmas tree-shaped towers near the border areas. The North has long berated the South for the Christmas tower plans as part of its psychological warfare as the lavish celebrations can help awaken people in the reclusive state. "With our expectation that the North can quickly regain stability and cooperate with the South for peace and prosperity, we have decided to recommend the suspension of the Christmas plans, which were slated for December 23," Yu said. **The statement offered "consolation" to North Korean people, but fell short of expressing condolences.** Liberal political forces including the main opposition Democratic Unified Party say that Seoul should send a delegation, stressing that this could be a rare chance to improve bilateral ties. Several leading civic groups including the Citizens' Coalition for Economic Justice called for the government to offer to send its mourning delegation. "The Seoul government should ensure that unnecessary tensions and conflicts will not arise on the peninsula. In light of our efforts to seek a new chance to entrench peace on the peninsula, we call on the authorities to make a bold decision to send its mourning team," CCEJ said in a statement. But conservatives argue that the delegation would divide public opinion at a time when citizens should stand united to cope with Kim's death, and that pro-North Korea forces in the South would take advantage of the event to fan confusion here. "Historically, Kim Jong-il is guilty of national treason and terrorism. If we express our sympathy toward his death, it is like we cannot distinguish what is right or wrong and who is friendly or hostile. When Hitler died, did the Jews go to his funeral?" said Cho Gab-je, former chief editor of the

Monthly Chosun. Hong Hyun-ik, North Korea expert at Sejong Institute, however, said that it would be good for Seoul to express condolences to the North, but bad for it to send a government delegation. "By expressing our sympathy, we can have more leeway in our management of the North Korean situations. I think in some sense, Seoul needs to be more active regarding this issue so that it can take an initiative about the peninsular situations and help them move forward to the future," he said. "But it'd better not to send the delegation as it could amplify the 'South-South' conflict among its people. What is better is that it can allow a team comprising symbolic figures such as the widow of the former president who received delegations from the North to go to the North." The ruling Grand National Party is circumspect regarding the issue as an ideological conflict is simmering among the people. (Song Sang-ho, "Seoul Not to Send Mourning Delegation for Kim's Funeral," *Korea Herald*, December 20, 2011)

ROK Statements: "Fellow Koreans, With the sudden passing of National Defense Commission Chairman Kim Jong Il, the ROK Government, in close cooperation with its allies and neighbors, is tightly managing the situation to prevent any harm to peace on the Korean Peninsula. Our military maintains its alert posture, prepared to deal with any situation that arises. So far, we have not seen any unusual indications on the part of North Korea. We hope our fellow Koreans will be at ease, go on with their everyday lives, and continue normal economic activity. On the passing of Chairman Kim Jong Il, the ROK Government expresses its sympathy for the people of North Korea. We hope North Korea will soon restore stability and cooperate with us toward peace and prosperity on the Korean Peninsula. Considering that North Korea is in a period of mourning, the ROK Government has decided to advise the religious community not to proceed with this year's lighting of the Christmas tree near the DMZ, originally scheduled for December 23. We ask our fellow Koreans to cope with the situation in North Korea in a calm and resolute manner, while cooperating with the Government's policies." (Statement of the Foreign Affairs and National Security Ministers, December 20, 2011)

"The ROK Government has decided not to send a condolence delegation to North Korea. However, in acknowledgement of North Korea's past condolence calls, we will be permitting the families of the late former President Kim Dae-jung and of the late head of the Hyundai Group, Chung Mong-hun, to visit North Korea to pay condolence calls." (Statement by the Ministry of Unification on Visits to North Korea for Offering Condolence, December 20, 2011)

DoS Briefing: **Q:** One, what was the thinking behind putting the statement out last night from the Secretary after she'd already spoken to it? **MS. NULAND:** Well, as you know - yeah - as you know, the Secretary had some preliminary comments on North Korea following her meeting with Japanese Foreign Minister Gamba, and in particular, she expressed concern at that time for the North Korean people. We had always intended to put out a more fulsome statement from the Secretary on the DPRK situation, but we wanted to have a chance to consult more fully with all of our Six-Party allies and partners. And because of the time difference where we had partners who were asleep in the middle of the day, we weren't able to fully consult and coordinate and then put out more fulsome statement until later in the day. And I do apologize that it was as late as it was; 10 o'clock at night is not good for anybody. We had intended to

try to get it out around 6 or 7, but sometimes these things take longer than one plans.

Q: Okay. Well, it – you say it’s more fulsome, and I suppose that in some ways it is. But it didn’t express any kind of condolence, it didn’t talk about the way ahead or the way the U.S. sees the way ahead except in a – very broad, general terms, and that the new North Korean leadership will take the path to peace. What are the Administration’s thoughts on the specifics in terms of the way ahead? And secondly, why was there a decision – or why is there no expression of condolence? **NULAND:** Well, first of all, let me just take issue with the way you characterized the statement of one line in the statement. For those of you who haven’t seen it is the following, “It is our hope that the new leadership of the DPRK will choose to guide their nation on to the path of peace by honoring North Korea’s commitments, improving relations with neighbors, and respecting the rights of its people.” So when you ask what do we want to see happen? We want to see the new leadership of the DPRK take their country in the direction of denuclearization, in the direction of compliance with their international obligations and commitments. We want to see them have better relations, particularly with South Korea, but obviously, with all of the neighbors, and then respecting the rights of their people. She goes on at some length about what we hope to see for the North Korean people. So this was intended to be a signal of our expectations and hopes for the new regime along the lines that I just outlined here. With regard to the C-word, I think we didn’t considerate it appropriate in this case. **Q:** I mean, the one sentence that you read, I think I asked that in my question. Beyond a very general description of what you would like to see, which, okay, that’s fine. I mean, we’d all love unicorns and rainbows to be everywhere in North Korea, but that’s not very specific. What – is there anything in particular that you would like to see, and is there anything in particular that you are willing to do now to help prod them in that direction? I’m – perhaps I’m not being clear enough. I want to know if there’s been any decision to delay or to go ahead with the food assistance. And I want to know if there’s been any decision to go ahead with or to delay, obviously until the end of the mourning period and when North Korean officials are able to do their jobs, to go ahead with another round of nuclear talks – bilateral, not Six-Party. **NULAND:** Well, again, the DPRK, as you have said, is in this period of mourning. So this statement was designed to express solidarity with the people of North Korea and our hope that they can live in greater dignity and greater human rights, in the future greater peace, greater prosperity, lasting security, et cetera. And to in, as you say, relatively general terms, because we need to respect the mourning period before we can move forward on consultations, but in relatively general terms, our hopes and expectations in the area of denuclearization, in the area of good neighborly relations, and in the area of human rights, dignity, and a better quality of life for the Korean people. **With regard to nutritional assistance, I think I said last week on Friday that we needed to have Ambassador King and Assistant Deputy Administrator for AID Jon Brause come home after their consultations with the DPRK delegation in Beijing and report. So what they have reported is that, while they did have a constructive round of discussions in Beijing last week with the DPRK interlocutors that they saw on nutritional needs and on monitoring issues, there are a number of issues that still need to be resolved. So we’re going to have to keep talking about this. And given the mourning period, frankly, we don’t think we’ll be able to have much more clarity and resolve these issues before the new year.** But obviously, we stand ready to keep working on this. **Q:** ... Do you have

any indication that the hunger situation in North Korea is going to ease up over the period - over this mourning period with - perhaps the government is going to give out extra rations or something like that? I mean, I guess what I'm getting at is the need - just because they're in a period of mourning, is there a -less of a need now? **NULAND:** Well, as we have said from the beginning with regard to nutritional assistance, **we need to complete our own assessment of need. We also need to have a better understanding, if we are to move forward, on how we would be able to monitor any nutritional assistance that we would be giving. So both of these were subjects of discussion in the Beijing talks. As I said, those talks were inconclusive on some of these issues.** So we are not at a position now to go forward with a U.S. Government decision until we can have some more engagement, which we don't anticipate being able to do until after the new year. **Q:** All right. And then just the last one was the six - the bilateral talks on the nuclear issue. **NULAND:** Well, again, they are in a period of mourning. No U.S. decisions have been made on that. **Q:** Two clarifications. First, can you get into any of the specifics on what some of those issues are that are outstanding? **NULAND:** I think I'm not going to get into the details of the talks, except to say that we do need to continue to discuss our assessment of need as compared to their assessment of need, we do need to continue to talk about monitoring procedures. **Q:** So it is a monitoring issue, essentially? **NULAND:** It is a monitoring issue among other things, among other things. **Q:** I was just wondering, you mentioned yesterday that the Secretary was going to talk to her Chinese and Russian counterparts. I gather, from the Chinese side anyway, that at least one of those conversations took place. Can you tell us when and what they discussed? And also, did the issue of the food aid come up in any of those conversations, or is it a strictly bilateral conversation with the North Koreans? And finally, on the path to peace wording, did she run that by the Chinese and the Russians before that statement went out? **NULAND:** Well, first on your last point, we didn't clear these statements with any of our partners or allies. We did make clear that we would be issuing a statement that stressed in particular what we wanted to see going forward and expressed concern for the North Korean people. The Secretary did speak to Chinese Foreign Minister Yang last evening, both of them obviously expressing interest in ensuring peace, stability, calm on the North Korean - on the Korean peninsula as a whole, but particularly in North Korea, and our desire to stay in close touch on these issues as the transition unfolds. She spoke about 45 minutes ago as well to Foreign Minister Lavrov. That conversation was first on the situation in the DPRK, very similar, shared interest in peace, stability. And then they also talked about Syria. ... **Q:** And the food aid question, did that come up in either of those conversations? **NULAND:** I do not believe so. I do not believe so. ... **Q:** You've spoken repeatedly about the mourning period that's going on right now. I'm curious whether you believe that's something more governmental or if you really think that people inside North Korea are mourning. You've seen some of the videos of people crying. I'm curious whether you have any assessment whether you think those are legitimate emotions being expressed on the street. **NULAND:** I'm certainly not in a position to judge that one way or the other. But between now and the funeral, at least, the government has declared an official period of mourning, so it's not, as we understand it, engaged in normal governmental business. **Q:** Victoria, the - Governor Richardson said that it would be appropriate to issue condolences. So you don't agree with the governor, especially when the whole nation is so traumatized, as

Kirit said? **NULAND:** Again, I think that our statements have made clear our interest in seeing a better future for the North Korean people, and that was the sentiment that we were eager to express with them. ease. **Q:** Regarding the condolence, have you ever touch in talking with the North Korean delegation in New York? **NULAND:** Your question is whether there have been any contacts? ...**Q:** About condolence issues regarding -- **NULAND:** I think our statements are designed to speak for us with regard to our message to the North Korean people. We have had some technical discussions following up on the food conversation in Beijing. **Q:** Nothing - not-- nothing like official talking with Kim Jong-il's death? **NULAND:** No. I think our statements are - what we want to do is speak directly to the North Korean people, and that was the aspiration behind the statement. **Q:** You said you had some technical discussions. Is that following the death of -- **NULAND:** Yes. **Q:** So there has been some communication official-to-official with the North Koreans since the death? **NULAND:** Correct. **Q:** Okay. But that's been only on technical details of the food talks, not on anything broader? **NULAND:** I can't speak to whether it was broader, but it was a technical level and it was designed to make clear that we still had questions with regard to the nutritional assistance issues. **Q:** And that was yesterday? **NULAND:** I can't speak - I guess it would have had to have been yesterday, right? Yeah. **Q:** But there was no mention of the death of Kim Jong-il in that contact? **NULAND:** I can't speak to whether there was or there wasn't. But again, I think it is likely that U.S. officials pointed to U.S. public statements. **Q:** But I thought you said that no one in the North Korean Government was doing any business. Obviously, that's not the case if they - or did they just present a list of here's what we still need to have taken care of? **NULAND:** I can't speak to the details of this. I think there were people at work yesterday in the channel that we normally use. But our understanding is that it's going to be difficult to do government business during this period. **Q:** What exactly is that channel? Is this -- **NULAND:** I think you know how we usually communicate. **Q:** Okay. That's what I'm asking. This is your usual New York channel? **NULAND:** Yeah, yeah. (DoS Press Briefing, Victoria Nuland, spokesperson, December 20, 2011)

The prospect of another round of nuclear talks between the United States and North Korea or the resumption of the six-party talks on the North's nuclear ambition in the near future now appears dim due to the uncertainty about the transition of power in North Korea following the sudden death of the nation's leader Kim Jong Il over the weekend. While State Department spokesperson Victoria Nuland has indicated that Washington is unlikely to engage in active diplomacy with North Korea during its mourning period, experts anticipate that it will take more time for the two countries to hold another round of the nuclear talks or even longer to reopen the six-party talks. Michael Mazza, senior research associate at the American Enterprise Institute for Public Policy Research, said, "I know North Korea press is reporting that Kim Jong Un is the great successor or whatever...We want to be certain that we know who is in charge before we start negotiating anything." "I don't think we will be returning to the six-party talks anytime soon," Mazza said, adding that he is "not too optimistic" about the stability of the Korean Peninsula. (Azuma Yasushi, "North Korean Leader's Death Puts Nuclear Talks on Hold," Kyodo, December 20, 2011)

12/21/11

The United States has contacted North Korea for the first time since the death of Kim Jong-il to discuss details of possible food aid to the impoverished state, an official said Wednesday. U.S. State Department spokeswoman Victoria Nuland told reporters in Washington that contact was made through the North's mission to the United Nations in New York and followed up on earlier discussions. The contact was "on a technical level and it was designed to make clear that we still had questions with regard to the nutritional assistance issues," Nuland said. In Seoul, U.S. ambassador Sung Kim said in a meeting with Park Geun-hye, the interim leader of the ruling Grand National Party that significant progress had been made during the Beijing talks, according to sources. Nuland said further dialogue was needed on how any aid would be monitored. Meanwhile, the South continued to debate over whether to offer to send a delegation to the North to express condolences for the death. Rep. Park turned down an offer from the main opposition party to form a joint parliamentary delegation to offer condolences, saying she would respect the government's stance against sending an official group. Earlier, the Lee Myung-bak administration said it would allow civilians and private organizations to send personal condolences, a day after it offered concern for the North Korean people but decided against sending an official delegation across the border. "The government has decided to allow citizens to send condolence messages to North Korea by fax or mail," unification ministry spokesperson Choi Boh-seon said. (Kim Young-jin, "U.S., N. Korea Make First Contacts after Kim's Death," *Korea Times*, December 21, 2011)

A top South Korean government official explained why South Korea effectively sent its condolences to the North over the death of leader Kim Jong-il and decided not to light three giant Christmas trees along the North Korean border. "When Kim Il-sung died in 1994, the government issued an emergency alert and did not offer condolences, which greatly provoked North Korea," the official said. "It took a long time for bilateral relations to thaw after that. So until the power succession stabilizes, there is no need for us to further provoke North Korea for no apparent reason." He added, "This could be a chance for us to reestablish inter-Korean relations, but what's more important at this time is to reassure North Korea not to resort to provocations." Referring to sanctions against North Korea in response to its sinking of the Navy corvette Cheonan in March last year, the official said, "We haven't decided what to do with the sanctions. From now on, the priorities of our North Korea policy are denuclearization, reform and opening policy, so large-scale economic aid is a possibility." (*Chosun Ilbo*, "Seoul Keen to Avoid Provoking N. Korea," December 22, 2011)

KCNA: "Leader Kim Jong Il dedicated himself to the happiness of the people all his life. He had a noble wish. It was to bring the greatest happiness and honor to the people even if he had plucked a star from the sky and grown flowers even on a rock. It was his ardent desire to build a strong, highly-civilized and prosperous country without fail and hand it down to the generations to come. This year, too, he set about his journey for the wellbeing of the people with the song "Path of Victory." He tirelessly made trips for field guidance to worksites alive with the drive for a great surge even in February in the wake of his journey in snowbound January. ... **It was thanks to his total dedication that the DPRK emerged a satellite producer and launcher and a nuclear weapons state to rank itself among a few powers in the world possessed**

of ultra-modern technology and brought about leaping progress in the Juche-based industry in the era of great surge. The cause of new industrialization based on ultra-modern science and technology in the new century is now being accomplished. Running high in the country are the faith in sure victory and firm will to boldly hit the targets for modernization on the basis of the self-supporting economy and reach the eminence of an economic power at a breath." (KCNA, "Kim Jong-il's Wish," December 20, 2011)

Gallucci: "The death of North Korea's leader, Kim Jong-il, and the ascendance to power of one of his sons, Kim Jong-un, creates some opportunities and potential traps for the administration and senior leaders in the United States – things they should be sure to say and be sure not to say. First, we should recognize that we have been here before. Sort of. In 1994, I learned of the death of Kim Il-sung in an early morning telephone call from the South Korean foreign minister. I was in Geneva leading negotiations with the North Koreans over their nuclear weapons program. The first question in the minds of those in Washington and Seoul was how the transition of power in North Korea from father to son would change things – whether the negotiations would continue, whether it would be business as usual or the beginning of a crisis. We preferred the former and, as it turned out, so did the North. The talks continued and an agreement was signed that stopped the North's plutonium production until we abandoned the deal eight years later, because of the North's cheating with uranium enrichments technology. We may be as fortunate this time, even though this son is a lot younger and less experienced than his father was when he assumed authority. The traditional mourning period in Korea is a year, and even Kim Jong-il, who was by then a familiar figure in North Korean power circles, took almost that long before assuming all the leadership positions his own father had held. The lesson here is patience: we should resist drawing conclusions too soon about who is really in charge in North Korea. Heading the 'do not say' list for any American leader, or would-be leader, is that this is the time to promote or provoke regime change in North Korea. We used to hear a lot about regime change about a decade ago, with reference to the Axis of Evil, and now the phrase is being resurrected to capture the urge to get rid of North Korea's horrendous totalitarian government. There may never be a good time to openly advocate the overthrow of the government in Pyongyang, the North Korean capital, and certainly the moment when a new young leader may have to decide whether he needs to prove his leadership prowess is definitely not the right time. Insisting on regime change now, as Mitt Romney came very close to doing in a statement on Monday morning, creates no incentive for this government to even consider negotiations, or to contemplate backing off or ever giving up its nuclear weapons program. It is just plain dumb. What does make sense is to continue to deplore the humanitarian catastrophe that is life in North Korea and to say that we would welcome the day when the government in that country moved toward democratic governance and a free economy. Among the first things we should tell the North is that we remain prepared to enter discussions aimed at halting, rolling back and ultimately dismantling its nuclear weapons program. This may sound like old news, but it is not. The Obama administration has been sensitive to the domestic political needs of its ally, South Korea, which demand that before proceeding to talks, the United States should obtain some acknowledgement from the North of

responsibility for the deaths caused by the sinking of a South Korean ship and the shelling of a South Korean island. The president's advisers have also been sensitive to anticipated criticism from Republicans that initiating talks with the North would represent appeasement, would demonstrate naïveté, would amount to buying the same horse twice and would teach the North the wrong lesson. In the past, the administration has been too sensitive to these domestic considerations. It should now seize an opportunity, if one opens, to resume talks about ending North Korea's nuclear weapons program. To do so would not be appeasement, because little would be given without the North's performance. It would not be naïve, since we well understand the North Korean mentality. And it would not be a re-purchase because the last time we talked, we did get much of what we paid for, and we should now be prepared to finish the deal. Moreover, we should not be in the business of teaching other governments lessons. We should adopt the best policies to protect our national security. Right now, that means entering a serious discussion about the North's nuclear weapons program, aimed at its dismantlement. Finally, there is an opportunity for the administration to tell the North Koreans something hard and realistic that they desperately need to hear during a transition to new leadership: the United States will not tolerate the transfer to another government or terrorist group of any nuclear weapons material or technology or fissile material, and we will respond with devastating consequences for the North if we learn of such a transfer. The North's role in the secret construction in Syria of a plutonium production reactor in 2007 should have crossed a red line for the Bush administration. It apparently did not. Had it not been for Israel's version of a nonproliferation policy – aerial bombardment of the site – the Middle East might already have been fundamentally changed by the North's outrageous move. Our security is endangered by any such transfers, which make nuclear terrorism and the loss of whole cities entirely plausible. Our government needs to make sure the new government in North Korea never attempts such transfers again." (Robert L. Gallucci, "What to Do, and Not Do, about North Korea," *New York Times*, December 21, 2011)

12/22/11

South Korea is pondering on a new approach to North Korea, as the death of the communist state's iron-fisted ruler is believed to have opened a new chapter in inter-Korean ties. South Korean President Lee Myung-bak said that his government had taken steps toward reconciliation in the wake of the momentous development in the North.

"The measures taken were intended at sending a message that we're not hostile toward North Korea," Lee said during a meeting with heads of major political parties. "We could use more flexibility in relations with North Korea in the future." Experts say South Korea must be more flexible in dealing with North Korea under new leader, in order to gain more leverage over it and repair the strained ties. "Despite the risk factor, it would be wiser for South Korean officials to look at the opportunities, shifting its stance on North Korea to strategic flexibility," Lee Bong-jo, former unification minister, said. (Lee Sun-young, "South Ponders New Approach to N.K.," *Korea Herald*, December 22, 2011)

National Intelligence Service director Won Sei-hoon drastically reduced North Korea exchange and intelligence functions just after taking office in February 2009. Among

his actions was the elimination of a North Korea strategy bureau under the service's third deputy director. Won's decisions are being pointed to by observers as a main factor behind the weakening of the human intelligence network that once played a pivotal role in gathering North Korean intelligence. "This was the section that handled inter-Korean talks, undisclosed meetings between the Koreas, and exchange and cooperation, and he got rid of it," the source said. The source said the section had over 200 officials with many years of experience with North Korean issues. "Most working-level officials were transferred to the domestic section, while most of the senior-level members left the service," the source explained. "The human intelligence system was destroyed just before Lee administration took office as the officials concerned were considered as an anti-Lee faction," said ruling Grand National Party lawmaker Chung Doo-un in a Twitter post on Wednesday. "A number of stupid cases like this took place where very precious assets of the country were eliminated due to simple slander." An opposition party figure who served on the Intelligence Committee for the 17th National Assembly said that just after the Lee Myung-bak administration took office, the NIS summoned around 50 "whites," or NIS-affiliated diplomatic officials registered in countries overseas, and transferred them to domestic duties. "These were people who handled North Korean affairs in their locale. As a result, our North Korean intelligence was greatly weakened in the process," the figure said. The same figure recalled former NIS chief Kim Man-bok as saying during the last National Assembly that "90% of all intelligence at intelligence agencies conforms to the wishes of the consumer." "If Kim Man-bok produced intelligence according to the wishes of President Roh Moo-hyun, then the current intelligence system has been retooled to suit the desires of President Lee Myung-bak," the figure said, indicating that Lee's focus on domestic politics rather than on North Korea has led the NIS to focus more on gathering domestic intelligence than North Korean intelligence. The figure also said agencies ranging from the NIS and Defense Security Command to prosecutors and police began buying large amounts of surveillance equipment at tremendous cost in 2008. The equipment, which included devices for Internet "packet eavesdropping" and e-mail surveillance, was brought in for the purposes of "ushering in an era of scientific intelligence." "The fact that holes appeared in our North Korean intelligence network despite this investment has to be attributed to the use of this surveillance equipment for domestic affairs," the figure said. Won himself acknowledged the collapse of the network for human intelligence in North Korea while speaking at the National Assembly. At a meeting of the Intelligence Committee on December 20, he said that "our intelligence comes from analyzing and detecting technical intelligence, not information leaking from the North Korean government," a number of lawmakers on the committee reported. Meanwhile, a member of the Grand National Party blamed the collapse of the human intelligence network on the Kim Dae-jung and Roh Moo-hyun administrations. In a KBS radio interview Wednesday, GNP lawmaker Yoon Sang-hyun said the network "collapsed completely during the Roh Moo-hyun and Kim Dae-jung administrations and was never fully restored." In response, Democratic Party secretary Choi Jae-sung said, "Given that it's impossible to have people living permanently in a closed society like North Korea to gather intelligence, human intelligence can only be gathered when it's easy to come and go there." "The reason the human intelligence network collapsed is because not only dialogue between the North and South Korean governments but civilian dialogue as well has been

completely severed under the Lee Myung-bak administration," Choi argued. Many observers commented on the lack of intelligence specialists among the NIS leadership. Won, a former public servant with Seoul City Hall, is a layman in the intelligence field. With the latest controversy coming on the heels of a June 2010 incident when the identity of an NIS agent working as an employee at the North Korean embassy in Libya was leaked and the furor in February of this year when NIS agents were caught breaking into the hotel room of a visiting Indonesian delegation, a number of observers are saying the country's intelligence agencies have undergone a fundamental collapse. (Lee Tae-hee, "NIS Chief Won Criticized for Destroying Its N. Korea Human Intelligence Part," *Hankyore*, December 22, 2011)

Sigal: "Kim Jong Il's sudden death has fueled uncertainty about North Korea's future. Those who yearn for regime change are playing up the potential for instability in the North, but the more prudent course is not to engage in rash speculation but to offer condolences to reassure Pyongyang, and then launch a diplomatic probe to test whether it is ready to halt its nuclear and missile programs. Kim Jong Il was on the verge of concluding a deal with the United States that would do just that. He was prepared to suspend its enrichment efforts at Yongbyon under international monitoring in return for U.S. food aid -- a sign that Washington was not pursuing a hostile policy toward the North. That would open the way to resumption of six-party talks. Kim Jong-il also said he was willing to observe a moratorium on nuclear and missile tests while negotiations proceed. That is important because Pyongyang has indicated it has a new nuclear device-- a warhead that could be mounted on missiles. It is also developing new missiles whose reliability is far from assured without further test-launches. Pyongyang is also ready to negotiate bilaterally with Seoul to remove replacement fuel rods needed to restart its reactor at Yongbyon which could generate more plutonium. Washington and Seoul would be wise to pursue these deals without delay, thereby allowing Kim Jong-un to secure support in Pyongyang by following in his father's footsteps. Tokyo could offer quiet encouragement. If completed and faithfully implemented, the deals would ease immediate tensions in Northeast Asia. Unbounded nuclear arming by North Korea would have grave consequences for regional security. Already some in Seoul have been calling for the return of U.S. nuclear weapons to the peninsula or worse -- resuming a South Korean nuclear weapons program that Washington succeeded in stopping twice before. If the pending deals are concluded, Japan would do well to reconsider engaging the North economically because that would facilitate progress on the abduction issue. Ordinary North Koreans have become increasingly reliant on markets to satisfy their daily needs. That has weaned them from excessive dependence on the state. Increased foreign investment and trade would make it possible for Kim Jong-un to further that positive trend. Sanctions have not worked. They did not keep the North from acquiring a uranium enrichment program or from developing new missiles. Nor did they keep its trade and economy from growing. Instead, they gave Pyongyang a pretext for nuclear and missile testing. Dismantling North Korea's nuclear and missile programs permanently will require more demanding steps by the United States and South Korea as well as Japan to end enmity by signing a peace treaty and normalizing political and economic relations. The leadership succession from father to son is no time to engage in wishful thinking about pressuring Pyongyang to collapse, which would compel the

North to react with renewed hostility. A policy of watchful reassurance might benefit for the security of all its neighbors." (Leon Sigal, "To Ease Uncertainty, Negotiate with North Korea," Kyodo, December 23, 2011)

12/23/11

North Korea said it will accept all condolence delegations from South Korea over the demise of its leader Kim Jong-il. North Korean authorities have taken steps to accept South Korean delegations through the land border or by air, the North Korean Web site Uriminzokkiri said. "The convenience and safety of South Korean condolence delegations will be fully guaranteed," the official Web site said. Still, Unification Minister Yu Woo-ik told lawmakers on Friday that South Korea will not expand civilian delegations beyond those of two high-profile women who have ties with North Korea. Two separate delegations led by Hyundai Group Chairwoman Hyun Jeong-eun and former first lady Lee Hee-ho have been in talks with the South Korean government to work out details of their trips. Also, the North Korean official Web site accused South Korea of not sending an official delegation and banning its people from visiting North Korea. The Web site also denounced South Korea for not issuing an official condolence, calling Seoul's move an unpardonable insult to the North's dignity. South Korea has sent a sympathy message to the North Korean people over Kim's death and allowed civilians and private organizations to send messages of condolence to the North. The North Korean Web site warned that inter-Korean ties could worsen if South Korea bans its people from the North. It also said the South Korean government should show "due respect," a thinly veiled request for an official condolence delegation. "North-South relations are at a critical juncture," the Web site said, warning of huge consequences if Seoul follows in the footsteps of its previous government more than a decade ago. (Yonhap, "N. Korea Says It Will Accept All S. Korean Condolence Delegations," January 23, 2011)

KCNA: "Kim Jong Un, vice-chairman of the Central Military Commission of the Workers' Party of Korea, Friday visited the bier of leader Kim Jong Il again, carrying with him the unbounded yearning of all servicepersons and people of the country for him, and expressed profound condolences. ... Among the mourners were senior officials of the party, state and armed forces organs Kim Yong Nam, Choe Yong Rim, Ri Yong Ho, Kim Kyong Hui, Kim Yong Chun, Jon Pyong Ho, Kim Kuk Thae, Kim Ki Nam, Choe Thae Bok, Ri Yong Mu, O Kuk Ryol, Kang Sok Ju, Pyon Yong Rip, Jang Song Thae, Kim Jong Gak, Kim Yang Gon, Kim Yong Il, Pak To Chun, Choe Ryong Hae, Kim Rak Hui, Thae Jong Su, Kim Phyong Hae, Mun Kyong Dok, Ju Kyu Chang, U Tong Chuk and Kim Chang Sop." (KCNA, "Kim Jong Un Visits Bier of Kim Jong Il to Express Profound Condolences," December 23, 2011)

12/24/11

North Korea appears to be making an orderly transition after the death of leader Kim Jong-il last week, but the risk of collapse is higher than before and regional powers need to start discussing that contingency with China, diplomats and analysts say. The problem is China refuses to contemplate any unraveling of North Korea which has nuclear ambitions and is its long-term ally. Beijing has rebuffed such overtures from the United States, Japan and South Korea. "Secret talks with China to plan for contingencies have long been overdue," said Douglas Paal, vice president for studies at the Carnegie Endowment for International Peace in a paper this week. "Beijing has

been reluctant to engage in this kind of dialogue, although Chinese thinkers have increasingly acknowledged privately the need for such an authoritative conversation." Yet little evidence has emerged that such talks have taken place or are being planned, despite a flurry of discussions between the four countries in the aftermath of Kim's death. Christopher Hill, a former envoy to the six-party talks on North Korea nuclear disarmament, said it was difficult to raise North Korean instability scenarios with China. "The Chinese are always skittish about these things," he said, adding that the disclosure of secret U.S. diplomatic cables by WikiLeaks have made them especially wary of contingency planning. Still, the transition of power in North Korea from the departed "Dear Leader," Kim Jong-il, to his son, the "Great Successor" Kim Jong-un, is going smoothly so far. "We hope it stays that well," said Pentagon spokesman George Little. "We have not seen any unusual North Korean troop movements since the death of Kim Jong-il. That would be one indicator of a less than smooth transition." The real worry is further down the road if a contest for power develops and piles stresses on a state that is already perilously close to economic collapse. In one Feb 22, 2010 cable by then U.S. ambassador to Seoul Kathleen Stephens, a top South Korean diplomat cited private conversations with two high-level Chinese officials who said China could live with a reunified Korea under the control of South Korea. The then South Korean vice foreign minister, Chun Yung-woo, who was also a delegate at the six-party talks, said the two Chinese officials told him privately that China "would clearly not welcome any U.S. military presence north of the Demilitarized Zone in the event of a collapse." But the Chinese officials told him Beijing "would be comfortable with a reunified Korea controlled by Seoul and anchored to the United States in a 'benign alliance' - as long as Korea was not hostile towards China." The alleged remarks from the two Chinese diplomats do not represent China's official position on North Korea. But China's ability to influence North Korea is sometimes over-estimated. In April 2009, He Yafei, then China's vice foreign minister, told a U.S. diplomat in Beijing that North Korea acted like a "spoiled child" to attract U.S. attention through steps such as firing a three-stage rocket over Japan. The official line from Beijing, repeated during a visit by Kim Jong-il to China in May, is that the relationship remains "sealed in blood" of the allies that fought together in the Korean War. "For China, the core imperative remains the avoidance of anything that might compromise North Korea's stability," said Sarah McDowall, an analyst at IHS Jane's. "Occasionally, however, when North Korea commits particularly blatant provocations, this priority comes into conflict with another of China's over-riding diplomatic objectives - its desire to be seen as a responsible global player. China's behavior with regards to North Korea in recent years has been a struggle to balance these two objectives." In another Wikileaks cable from Astana, Kazakhstan on June 8, 2009, Chinese ambassador Cheng Guoping told his U.S. counterpart Richard Hoagland that China opposes North Korea's nuclear tests and hopes for peaceful reunification of the peninsula over the long term. Cheng said China's objectives in North Korea were to ensure their commitments on non-proliferation, maintain stability, and 'don't drive (Kim Jong-il) mad,'" Hoagland said in the cable. John Park, at the United States Institute of Peace, used a medical analogy to describe the difference in the U.S. and Chinese approaches. "The way contingency planning is framed by the U.S. is, 'Let us coordinate so that if the North Korean state does collapse we can harvest the organs, and we think they should be implanted in a unified Korea, and the more the U.S. and China coordinate on this, the more smooth

and stable it will be.' "Whereas China's view is, 'Why would you wait for until the patient dies? Why wouldn't you prevent the death of the regime.' So there the Chinese are adopting almost this preventive medicine approach." Jia Qingguo, professor of international relations at Peking University, said prospects for political stability in North Korea were bleak and interested powers needed "to step up communications, especially now the risks of a crisis are quite high." The loyalty of those around the "Great Successor" is difficult to ascertain, Jia said. "Add to that all the many problems, domestic and external, confronting North Korea. In these circumstances, I think it's very difficult to say whether Kim Jong-un will be able to master the political apparatus." Kim Jong-un, who is in his late 20s, has little experience. His father Kim Jong-il had 20 years to prepare for rule under the tutelage of his father, Kim Il-sung, the charismatic founding father of the North Korean state. Analysts have said senior officers were replaced after young Kim was made a four-star general last year, though he had never served in the military. Issues that need to be urgently addressed in contingency planning include how to provide aid in the face of a collapse or crisis, and how to ensure the safety of the North's nuclear materials, Jia said. "I think from the viewpoint of China and the United States, it may be up to one of them to assume control of the nuclear weapons and avoid proliferation." A former Japanese diplomat who dealt with North Korean issues, Tanaka Hitoshi, questioned whether any measures would be effective in the event of "internal domestic turmoil" in North Korea. South Korea, China, Japan and the United States "are very busy collecting and exchanging information and comparing notes" about North Korea's future, but that information is "very, very limited." "It is extremely important ... to let China work in the most constructive way, because clearly, China is the last resort in the context of helping North Korea," he said. (Reuters, "Analysis: What's the Plan If North Korea Collapses?" December 24, 2011)

12/26/11

Lee Hee-ho, the 90-year-old widow of late South Korean President Kim Dae-jung, and Hyundai Group Chairwoman Hyun Jeong-eun met with Kim Jong-un at 6:20 p.m. at Kumsusan Memorial Palace in Pyongyang, where the body of Kim Jong-il lies in state, a unification ministry official said. "The delegation visited the palace and expressed their condolences to Kim Jong-un," said the official, adding that Hyundai Asan, the inter-Korean business arm of Hyundai Group, provided him with the message. (Yonhap, "S. Korean Delegation in Pyongyang Meets Kim Jong-un," *Korea Herald*, December 26, 2011) "I did not have a chance to talk about many issues as I only offered condolences," Hyun said at a news conference soon after crossing the heavily fortified border back to the South. (Yonhap, "S. Koreans Return Home after Meeting Kim Jong-un in Pyongyang," December 27, 2011) In its first interaction with visitors from South Korea since the death of its leader, Kim Yong-nam, president of the North Korean Parliament called for the implementation of the inter-Korean summit agreements, which would have brought massive South Korean investments had South Korean leader [Lee Myung-bak](#) not scuttled them, according to Ms. Lee's spokesman, Yoon Cheol-gu. (Choe Sang-hun, "North Korea Presses South to Implement Economic Pact," *New York Times*, December 27, 2011)

North Korea indicated that Kim Jong-un, the son and successor of its deceased leader, Kim Jong-il, was being elevated to the top of the ruling Workers' Party's hierarchy,

calling him head of its Central Committee. *Rodong Sinmun* urged North Koreans to "defend the party's Central Committee headed by respected Comrade Kim Jong-un." The same slogan was used for his father when he was alive. Over the weekend, the North Korean media were blessing the son with the same honorifics until now reserved for his father: "heaven-sent leader," "the sun of the 21st century" and eobeoi, the Korean word for parent, which North Korea has used only for Kim Jong-il and his father, Kim Il-sung, the North's founding president. The young successor's apparent rise to the party leadership came two days after the North's state-run news media published an entreaty for him to become supreme commander of the Korean People's Army, whose support is considered crucial to his consolidation of power. The top brass also moved quickly to swear their allegiance to Kim. Since Kim Jong-il's death was announced on December 19, a series of pronouncements from the North Korean capital, Pyongyang, have indicated that his son was rapidly consolidating his grip on power by assuming top titles, or that whoever was rallying the key agencies of power behind the young leader was ensuring that the son would not share power, at least in the public eye. (Choer Sang-hun, "New North Korean Leader Ascends to Party Head," *New York Times*, December 26, 2011)

Leaders of Japan and China have agreed to closely watch North Korea's leadership transition after the death of leader Kim Jong Il, but Beijing, apparently due to its own interests, was cautious about extending support to Tokyo over Pyongyang's abductions of Japanese nationals. Stressing the abduction issue is "one of the most important issues for Japan," Prime Minister Noda Yoshihiko asked Chinese President Hu Jintao to help address the issue that keeps Japan and North Korea from normalizing diplomatic relations. In a separate meeting in Beijing with Premier Wen Jiabao yesterday, Noda said Kim Jong Il's death Dec. 17 "could be a chance to break the deadlock" in the abduction issue, indicating Japan may consider building a relationship with what is believed to be a collective leadership under Kim Jong Un, Kim Jong Il's youngest son and heir apparent. The Chinese leaders stopped short, however, of giving explicit support to Noda as China apparently does not wish to provoke North Korea during a delicate leadership transition. In an interview on August 31 in Pyongyang, Kim Chol Ho, vice director of the North Korean Foreign Ministry's Asian Affairs Department, expressed disappointment with the ruling Democratic Party of Japan's policy toward North Korea, claiming it had been doing too little to improve ties. "The Japanese side should consider how to improve the soured atmosphere between (North) Korea and Japan," he said, urging Tokyo to lift bilateral sanctions imposed on Pyongyang since it carried out a first nuclear test in October 2006. (Hirano Ko, "North Korean Transition tests Noda's Diplomatic Skills," *Kyodo*, December 26, 2011) Japanese Prime Minister Noda Yoshihiko and Chinese President Hu Jintao agreed that peace and stability on the Korean Peninsula are of "common interest" to the two nations, and agreed on close cooperation to tackle issues following the death of North Korean leader Kim Jong Il. (*Kyodo*, "China, Japan Agree Korean Peninsula Peace in Common Interest," December 26, 2011)

12/28/11

In their first meeting since the death of North Korean leader Kim Jong-il, the top South Korean and U.S. nuclear envoys agreed to resume talks with the communist nation if the "right conditions" are created, according to a South Korean official. "First, (we)

shared the opinion with the U.S. that it is important to stably manage security on the Korean Peninsula after the death of Chairman Kim Jong-il," Lim Sung-nam, special representative for Korean Peninsula peace and security issues, told reporters, after emerging from talks lasting an hour and a half with U.S. Special Representative for North Korea Policy Glyn Davies at the State Department. Davies did not speak to the media. Regarding the North Korean nuclear issue, Lim said, the two sides agreed on the need to "resume the dialogue process under the right conditions." "Basically, as long as North Korea sends the right signal, I think the U.S. is adequately ready to hold talks again," he added without elaborating about what the right conditions would entail. The U.S. State Department said Lim and Davies also discussed the possibility of sending food aid to the North. Robert King, the U.S. special envoy for North Korean human rights, briefed Lim on the results of his discussions in Beijing with Ri Gun, director general for North American affairs at North Korea's foreign ministry. King briefed him on the terms required for "nutritional assistance," according to the department's spokesman Mark Toner. He said Washington is waiting for a signal from the North. "We're still looking for certain things from the North Koreans, and given that they're in this mourning period, we're going to have to let them emerge from that before we think we can move forward," he said. (Yonhap, "S. Korea, U.S. Agree on Need for Further Talks with N. Korea," *Korea Herald*, December 29, 2011)

A career diplomat with expertise in trade, economy and East Asia will be installed in a key U.S. State Department post dealing with Korean affairs, a department source said. "James P. Zumwalt, now the deputy chief of mission to the U.S. Embassy in Japan, will work as deputy assistant secretary at the Bureau of East Asian and Pacific affairs starting on January 3," the source said. Edward Kagan, director of the Office of Korean Affairs, has been serving as acting deputy assistant secretary in charge of the region since Joe Donovan left the position in the summer to work at the National Defense University. "Kagan will return to the Office of Korean Affairs," the source said. (Yonhap, "State Department Picks New Senior Official on Korea: Source," *Korea Times*, December 30, 2011)

Kim Jong-un, the designated dynastic heir in North Korea, walked alongside the hearse carrying the body of his father, Kim Jong-il, through snow-covered downtown Pyongyang, leading a state funeral that provided early glimpses of who is serving as guardians of the young, untested leader. Most prominent were the two men whose names seldom fail to pop up when North Korea watchers try to dissect the palace intrigues in the capital, Pyongyang: Jang Song-taek, Kim Jong-un's uncle and vice chairman of the powerful National Defense Commission, and Vice Marshal Ri Yong-ho, who leads the North Korean military's general staff. During his procession with the hearse, Kim Jong-un was followed by Jang, as well as Kim Ki-nam and Choe Tae-bok, both octogenarian members of the Politburo. Kim Ki-nam runs the state's propaganda machine. Choe is the party secretary in charge of external relations. Generals walked on the other side of the hearse, led by Vice Marshal Ri, followed by Kim Yong-chun, the defense minister, and Kim Jong-gak, whose job is to monitor the allegiance of other generals. U Dong-chuk, director of the North's secret police and spy agency, was also there. Koh Yu-hwan, a North Korea expert at Dongguk University in Seoul, said the party meetings in the coming months would probably elevate a new group of future

leaders in their 30s and 40s, mostly children of current members of the elite in their 70s and 80s. "Largely unknown, these are people who really wield influence behind the old men," he said. (Choe Sang-hun, "Protocol of Funeral Procession Signals Continuity in North Korean Power," *New York Times*, December 30, 2011, p. A-8)

12/30/11

North Korea's powerful National Defense Commission issued a hard-line statement, threatening not to deal with South Korea's Lee Myung-bak government and ruling out any policy changes. In an apparent move to foster a better relationship with the North's new leadership, President Lee said last week that South Korea has no hostility toward the North and expressed sympathy to the people of North Korea over Kim's death. "As already declared, the (North) will have no dealings with the Lee Myung-bak group of traitors forever," the commission said in the statement. The North's commission accused South Korea of banning its people from visiting Pyongyang to offer condolences and of seeking to drive a wedge between ordinary North Koreans and the North's leadership over Kim's death. "We will surely force the group of traitors to pay for its hideous crimes committed at the time of the great national misfortune," according to the statement carried by KCNA. The commission said the North wants to mend fences with the South by carrying out agreements of their two previous summits. "The army and people of the (North) will keep to the path of improving North-South relations and achieving peace and prosperity," the statement said. "We solemnly declare with confidence that the South Korean puppets and foolish politicians around the world should not expect any change" from North Korea. (Yonhap, "N. Korea Vows Not to Deal with S. Korea's President," December 30, 2011)

Responding to the new North Korean leadership's threats to eschew dialogue with South Korea, the United States called Friday for Pyongyang to improve inter-Korean relations. "We continue to monitor the situation on the Peninsula and are in close contact with our ally, the Republic of Korea. We share a common interest in ensuring regional peace and stability. We continue to urge North Korea to take steps to improve its relations with its neighbors," a State Department official told Yonhap. In a report, meanwhile, the Congressional Research Service (CRS) said Kim's death has put the Barack Obama administration at a crossroads again in its policy toward the nuclear-armed, recalcitrant nation. "The United States faces a range of options, many of which are necessarily mutually exclusive, but all of which entail risks," said. It added Kim's death can be viewed as "something of a Rorschach test for one's opinion of North Korea policy." Among various policy choices is the so-called "subversive engagement," which is less antagonistic than increasing outright pressure on Pyongyang, the CRS said. It would involve Washington and Seoul aggressively attempting to further delegitimize the North's regime by increasing elite and ordinary North Koreans' exposure to the outside world through such policies as increasing joint economic ventures, radio broadcasts, swamping North Korean markets with South Korean digital media, and setting up exchange and visitor programs, said the CRS. "An advantage of these options is that many of them could be combined with any other approach, be it hard engagement or hard pressure," it said. "A disadvantage is that they likely will take years to have an impact, and in the meantime many could channel funds and support to the regime." More ambitiously, if the U.S. succeeds in negotiations with the North, according to the CRS, it could empower more moderate forces inside the nation by

allowing them to present diplomatic and economic achievements as an alternative to more bellicose options. "Most, though by no means all, North Korea watchers doubt the likelihood of this optimistic scenario," it said. (Lee Chi-dong, "U.S. Urges N. Korea to Improve Ties with S. Korea," *Yonhap*, December 31, 2011)

12/31/11

North Korea announced it has appointed Kim Jong-un, the anointed successor and youngest son of Kim Jong Il, as supreme commander of its 1.2 million-strong military, two days after official mourning for the late leader ended. KCNA said the appointment was made at a meeting of the Political Bureau of the Central Committee of the ruling Workers' Party on December 30. KCNA said the Political Bureau members "courteously proclaimed the dear comrade Kim Jong Un, vice-chairman of the Central Military Commission of the Workers' Party of Korea, assumed the supreme commandship of the Korean People's Army", according to a will made by Kim Jong Il on October 8. (Reuters, "N. Korea Names Kim Jong-un Top Military Commander," *Asahi Shimbun*, December 31, 2011)

A statement from the Committee for Peaceful Unification of (North) Korea lambasted President Lee's government. "The Lee Myung Bak group of traitors committed thrice-cursed crimes by seriously hurting the dignity of the DPRK and brutally suppressing south Korean mourners of various social standings, a clear indication of their sinister aim to escalate the confrontation with it on the occasion of the great loss to the nation," the committee said in a statement. "He (Lee) is the worst type anti-reunification element, traitor and pro-U.S. fascist maniac steeped in extreme bitterness towards compatriots and confrontation hysteria to the marrow of his bones," said the statement, carried by KCNA. (Yonhap, "North Korea Vows Not to Deal with South Korea's President," North Korea Newsletter No. 191, January 5, 2012)