

## North Korea-South Korea Relations: Boycott or Business?

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In a cliché beloved of British soccer commentators, inter-Korean relations in 2004 were a game of two halves. Until mid-year all seemed to be going well, including unprecedented military talks to ease border tensions. On land, symbolically, propaganda loudspeakers fell silent along the Demilitarized Zone (DMZ), while at sea, substantively, direct radio contact between the KPA and ROK navies began, so as to avoid clashes. Meanwhile the usual channels of Seoul-Pyongyang dialogue at various levels met routinely, appearing to make progress on a range of substantive issues, such as cross-border road and rail links.

But July saw a U-turn. Angry on several fronts (more on motives below), North Korea pulled out of most of its hitherto regular talks with the South. By early 2005 it had not relented, and showed no sign of doing so. Of course, Seoul was not the only one to feel Pyongyang's wrath. On a wider canvas, the North also notoriously refused to return to Six-Party Talks (both Koreas, the U.S., China, Japan, and Russia) in Beijing on its nuclear issue, so a fourth round, due by September, failed to take place. Kim Jong-il was widely assumed to be awaiting the U.S. presidential election – and praying for Kerry. Yet on this front too, as of early January Pyongyang is still stalling, saying it now wishes to see the character and policy contours of the second Bush administration. For good measure, as reported elsewhere in this issue of *Comparative Connections*, North Korea is also embroiled in a row with Japan – over its continued failure to come fully clean on the fate of most of the young Japanese whom it admits to kidnapping in the 1970s and 1980s.

In that sense, the current stasis in inter-Korean ties partly reflects the fact that right now North Korea is no mood to talk seriously to anyone about anything. But there are also specific aspects to this always distinctive relationship between two halves of a divided land. Rather than discuss non-events – such as rumors throughout the quarter of plans for a second inter-Korean summit – it seems more sensible this time to focus on two specific matters. One is the refugee issue: a salutary reminder that there is more to inter-Korean ties than merely what the two governments cook up between them, or fail to. The other is the one field of cooperation that Pyongyang is still keen on, doubtless because there is money in it. The first goods made by an ROK firm in the Kaesong Industrial Zone (KIZ) – saucepans, as it happens – hit the stores in Seoul just in time for Christmas, and sold out in two days. So maybe an otherwise bleak New Year is not wholly without hope after all.

### **Reality Check: Just in Case ....**

The quarter began with a rare glimpse of plans behind the scenes in Seoul, just in case the hoped-for soft landing fails to arrive. On Oct. 4, to official alarm (he was threatened with arrest), an opposition MP, Chung Moon-hun, revealed in Parliament details of secret Southern contingency plans for various Northern scenarios. One, code-named “Chungmu 3300,” designates schools, stadia, and other public facilities to house up to 200,000 North Koreans in the event of mass defections. More radically, “Chungmu 9000” envisages South Korea filling any power vacuum in Pyongyang. The Unification Ministry (MOU) would establish an emergency headquarters, with the minister wielding governor-like powers, followed in due course by other ROK ministries. North Korea, predictably if implausibly, accused the South of wishing this to happen – when in reality it must know that this is (war apart) Seoul’s worst nightmare. This is one of several cases where Pyongyang’s professed take on Southern motives and goals has become decidedly perverse of late.

### **Refugees Just Keep on Coming**

Defectors are a particularly sore point currently. As discussed last quarter, July’s airlift of 468 North Koreans from Vietnam to South Korea infuriated Pyongyang, even though Seoul tried hard to keep it low-key. With typical paranoia, the North saw a plot linking this to the new U.S. North Korean Human Rights Act (NKHRA), which President George W. Bush signed into law Oct. 18. While it is unclear if Pyongyang really believes its own propaganda, if it has any grasp at all of Southern politics it must be aware of the Roh Moo-hyun administration’s hostility to the NKHRA – one of a range of issues that exemplify a growing divergence of outlook between Washington and Seoul – as well as Roh’s general refusal to prioritize or aid Northern refugees more than the bare minimum.

Lest there were any doubt at all on this, Unification Minister Chung Dong-young – tipped as a contender to succeed Roh as president in 2008 – spelled it out in a radio interview Jan. 4: “The North’s perception that we are trying to shake the Pyongyang regime by bringing defectors to Seoul is quite different from our policy. We disapprove of the mass defections. There will be no more large-scale arrivals of defectors in Seoul.” Two weeks earlier, as described below, his deputy announced new measures to curb the refugee flow.

Yet still they come, in growing numbers. Despite tighter security in Beijing’s diplomatic quarter, autumn saw a revival of sanctuary-seeking there. After a group of 29 entered a Japanese school in Beijing on Sept. 1, a further 44 got into the Canadian embassy on Sept. 29. On Oct. 15 another 20 made it into the South Korean consulate. A week later 29 broke into an ROK school in Beijing, whose extra-territorial status was less clear. On Oct. 25 Chinese police nabbed three of a group of 14; the rest got into the ROK consulate, which not for the first time had temporarily to suspend normal operations and close while it processed some 130 North Koreans for onward travel to Seoul.

## Seeking Sanctuary

Further bids were foiled on Oct. 26, when Chinese police arrested 63 DPRK migrants and two ROK activists in pre-dawn raids on two apartments in Beijing's Tongzhou area. Chinese media, normally silent on such matters, gave this much publicity; no doubt *pour encourager les autres*. The North Koreans are believed to have been sent back home in November to an uncertain fate; their Southern helpers remain in Chinese custody.

With the alternative a long onward trek to seek sanctuary in either Mongolia or Southeast Asia, deterrence may not work. On Dec. 17 four North Koreans sought asylum at the French embassy in Hanoi; the ROK embassy had allegedly turned them away, citing "bad circumstances." There was also a fresh, if small, spate in China: the same day seven more North Koreans, including a female polio victim and a child, fled into the Japanese school in Beijing (again). A day earlier, four North Koreans got into a South Korean school there; its Chinese owner then blocked the entrance, closing it for a day.

Overall, the South's Unification Ministry said on Dec. 30 that 1,890 North Korean defectors reached Seoul in 2004: up by nearly half from 2003's 1,281, itself not much more than 2002's 1,139. (Without the Vietnam airlift, comprising almost a quarter of the total, the rise would have remained at just over 10 percent.) Figures of this magnitude – still small compared to most global refugee flows – are very recent: cumulative arrivals in the half century since the Korean War ended in 1953 total barely 6,000. In another new trend, some two-thirds are now female: 1,167 as of November, compared to 601 males.

## Seoul Plays Scrooge

Numbers could well mushroom in future: a South Korean parliamentary report predicts annual arrivals of over 10,000 soon. To prevent this, ROK Vice Unification Minister Rhee Bong-jo cast himself as Scrooge this Christmas, announcing on Dec. 23 tightened procedures for future would-be defectors. Intensified screening at embassies abroad will weed out fake asylum seekers (e.g ethnic Koreans from China; 24 slipped in last year) as well as "murderers [and] criminals sought by international police." According to MOU, 11 percent of 2004's arrivals had criminal records: Rhee said that henceforth these "will be punished according to domestic law."

Even the law-abiding will have their resettlement subsidy cut by almost two-thirds, from an already meagre 28 million won (\$26,700) to just W10 million; the remaining W18 million will be conditional on job training. This move is aimed against brokers, to whom 83 percent of 2004's arrivals paid commission averaging W4 million; in practice, earlier arrivals often use their grant to pay brokers to bring out family members. Seventy-one defectors are under surveillance, with several banned from leaving the country. Most are suspected of acting as brokers, but some might be spies: an ex-sergeant in the KPA security arm who defected in 2003 is being probed after an illicit trip back to the North last April.

## **Mean and Short-sighted**

Security is of course a proper concern. Yet this set of measures, which Rhee said will “have a deterrent effect,” seems both mean-spirited and short-sighted. Maybe illegal, too: the ROK constitution still formally claims jurisdiction over the entire Peninsula and all its inhabitants, so can a state seek to exclude its own citizens? Questionable too, both legally (double jeopardy) and politically, is the idea of re-punishing those who had fallen foul of Kim Jong-il’s regime: some will not be common criminals, and all have arguably suffered enough. Training is useful, but making life even harder for Northerners to get by in a society where most already feel alien and unwelcome seems both perverse and cruel.

To do all this from a selfish wish to repel boarders makes mockery of the lip-service paid to unification as the ultimate Korean dream. Finally, to make Kim Jong-il’s victims suffer yet more, in the hope of wheedling their tormentor back to the table, suggests a failing of not only moral judgment but common sense. Seoul should know by now that Pyongyang cynically switches its umbrage on and off at will, largely regardless of actions by others.

## **Mixed Feelings, and Motives**

Still, for an unpopular government it helps that such moves command public support. An opinion poll published on Dec. 30 showed that only 32 percent of South Koreans support NGOs who try to help North Koreans defect, while 62 percent oppose this. Overall, 50 percent now say they support official policy toward the North; 43 percent are against, down from 57 percent in February. Some 45 percent want Seoul to be more proactive, but 23 percent would halt aid until Pyongyang returns to negotiations. Sixty percent believe the North has changed, up 4 percent since February. Sixty-four percent would buy Northern-made goods, but 34 percent refuse to do so.

Other surveys have looked at defectors themselves. A large-scale study by MOU of 4,072 who arrived since 2000 found that 55 percent gave poverty as their main reason to leave North Korea, while 20 percent left to join family members in the South. Nine percent cited political discontent, while another 9 percent said they fled to evade punishment; 3 percent mentioned family troubles. But the ministry’s self-serving inference – “Political oppression is not playing as big a role as we thought” – seems tendentious. A regime that starves its people surely oppresses as well as impoverishes them. It also creates enemies by brutalizing returned deportees from China. If they were apolitical before, this turns them; they flee again, this time for good.

Another, smaller survey found that fully 40 percent of DPRK defectors now in South Korea are unemployed. Twenty-seven percent have temporary jobs, 11 percent work part time, 5 percent have small businesses, and just 15 percent enjoy stable employment. Seventy-eight percent earn under W1 million monthly, with 15 percent wholly dependent on state handouts. Partly inspired by the NKHRA, a growing trickle is trying to slip into the U.S., viewed as a land of more opportunity and less prejudice.

## **Seoul Even Ignores its Own**

But Seoul is equally reluctant to help its own. While Japan mulls sanctions to force North Korea to come clean on the fate of barely a dozen kidnap victims, putting this issue at the top of its bilateral agenda, South Korea ignores the 486 abductees that it officially records as held by Pyongyang. So it was embarrassed at fresh revelations in December about two priests kidnapped in China. Ahn Seung-un, who vanished in 1995, is said to be working for the official DPRK Christian federation; his family does not believe he defected. Also in December, the arrest in Seoul of a Chinese-Korean implicated in the abduction of another ROK priest, Kim Dong-shik, from China in 2000 has revived criticism of the government for not pressing Pyongyang on this and other cases. A monthly magazine had named nine of the alleged kidnapers in 2003; several are said to be now resident in South Korea. A forum on Kim's case, held at the National Assembly in Seoul on Jan. 6, heard claims from NGOs that he probably died from ill-treatment in 2001. One opposition MP said he will introduce a bill to compensate families of those abducted by Pyongyang.

The figure of 486 abductees is post-Korean War (1950-53), so it excludes thousands of ROK POWs illegally detained in the North after the 1953 Armistice. In the past decade 41 of these now old soldiers have escaped, mostly after a lifetime toiling in the mines of North Hamgyong province in the DPRK's remote and famished northeast. Even these complain of getting little help or compensation for their sacrifice from their government.

## **Rare Signs of Backbone**

In a rare sign of official vertebracy in Seoul on refugee issues, ROK Foreign Minister Ban Ki-moon on Dec. 14 criticized the Chinese embassy in Seoul for telephoning an opposition lawmaker, Hwang Woo-yea, to complain at his chairing a new coalition of 22 South Korean NGOs working to aid DPRK fugitives in China. The caller reportedly threatened that Beijing would react by taking a harder line on refugees.

Three days later a Seoul court did its bit: awarding compensation of W104 million to the South Korean widow of Lee Han-young, nephew of Kim Jong-il's former consort Song Hye-rim. Lee had defected secretly via Geneva in 1982; he surfaced in Seoul in the mid-1990s, only to be murdered in February 1997 by unknown assailants. The court blamed the government for not protecting him against DPRK agents, his presumed assassins.

## **Kaesong: First Fruits**

Meanwhile, seemingly a world away from such skullduggery, on at least one front North Korea deigned to maintain active contact with the South. Work has continued apace on the Kaesong Industrial Zone (KIZ) – near Korea's ancient capital and close to the DMZ, 70 km north of Seoul – which Southern visionaries hope will in time become Korea's Shenzhen: a dual growth pole, both for cross-border cooperation and its own hinterland.

For a few lucky South Koreans, the must-have item this Christmas was not some luxury designer brand, but a workaday set of steel saucepans retailing at Won19,800 (\$19). The Lotte department store in downtown Seoul sold all of its 1,000 sets in two days. The lure was where they were made: these were the first fruits of the KIZ, made by Livingart, a small Southern kitchenware manufacturer, using Northern labor.

### **From Pans to Plans**

There are grand plans, or dreams, for the new Kaesong. A decade hence, once the three-phase project is fully completed, a site of 66 sq km (to include a new town covering 40 sq km) is projected to employ 700,000 North Koreans and 100,000 from the South in 2,000 factories, turning out exports worth \$20 billion each year. (By contrast, Pyongyang's entire annual exports currently barely top \$1 billion; Seoul's exceed \$250 billion.) According to the Hyundai Research Institute, the KIZ will eventually generate annual profits of \$8.5 billion for South Korea and \$811 million for the North, a disparity unlikely to please Pyongyang. The first phase, with 300 firms, is intended to be open by 2007.

Actual accomplishments so far are much more modest. Four years after this project was first mooted, all that exists so far on the ground is a 92,400 sq m pilot site. Fifteen tenants, all small firms, were due to start up in 2004, but so far just two are operating. Livingart, the panmaker, invested W4.5 billion in its kitchenware plant; it has 255 Northern employees. In January, another Southern firm, SJ Tech, is due to start making semiconductor parts in a W4 billion plant with 200 workers. Monthly pay is just \$57.50, half that of China, 17 times lower than South Korea, yet three times the average DPRK wage at the official exchange rate – or 19 times at the market rate.

Naturally the North Korean nuclear crisis, still unresolved after two years, casts a long shadow. There is the small matter of the Wassenaar Arrangement, restricting technology transfers to rogue regimes. Seoul is a signatory, yet chafes – as does Pyongyang, loudly – at U.S. pressure to ensure that nothing sensitive that could have military applications crosses the DMZ. Two of the first 15 are still awaiting security clearance on this score.

### **A Pioneer's Pitfalls**

Being a pioneer has its pitfalls. With the zone's power supply not yet set up, Livingart had to bring its own generator. From January, KEPCO, the ROK's monopoly electricity provider, is due to supply 15,000 kilowatts per hour across the border – with safeguards to ensure no diversions elsewhere to a North desperately short of power. Pyongyang had demanded a power station within the zone, but that looks a long way down the road.

Similarly, on Dec. 30 Korea Telecom – now privatized, unlike KEPCO – reported that it had finally agreed on the Kaesong zone's telephone service, after eight months of discussions. Yet it provided no details, except that call rates will not exceed \$0.50 per minute (North Korea normally bills international calls at \$4 per minute.) 100 phone/fax lines are anticipated, with no high-speed Internet access at this stage.

As so often, Pyongyang has blown hot and cold. The Kaesong zone was originally a gift to Hyundai from Kim Jong-il: compensation, perhaps, for its (until recently) loss-making tourism to Mt. Kumgang on the east of the Peninsula. At first the North offered Sinuiju, far away on the northwestern border with China; but Hyundai said it could not make a profit there. Owing to the ex-leading chaebol's financial woes, the Kaesong zone is now a joint project between Hyundai Asan and the ROK parastatal Korea Land Corp (Koland).

### **Korea's Shenzhen?**

Its location could not be better: close enough to Seoul to become as Shenzhen is to Hong Kong. The long-impenetrable DMZ remains the world's most heavily armed frontier, but two corridors now breach it: in the east tourist buses head for Kumgang, while in the west workers commute to Kaesong daily or weekly from Seoul. This is progress indeed. Yet over four years after June 2000's North-South summit, and despite ceremonies in 2003 to mark notional relinking of railways in the DMZ, the North shows no sign of finishing its side of either rail link or the eastern motorway – even though the South, whose own share was long ago ready, is providing nearly all materials and shouldering most of the cost.

Will Kaesong too prove stillborn? The Dec. 15 celebration of Livingart's first output was ominous. Seoul's 380-strong delegation was headed by Unification Minister Chung Dong-young, on his first visit to North Korea, yet Northern media did not report his presence. Pyongyang sent a less senior official, who berated the South for alleged foot-dragging and even walked out during Chung's speech, to Hyundai's embarrassment.

### **Business Beats Bombs**

Seoul puts up with such uncouthness, hoping Kaesong will be a “win-win” deal to convince Pyongyang that business is a better way than bombs. The trouble is that, Wassenaar apart, an ongoing nuclear standoff will limit investment. Selling the product is a further hurdle. The U.S. and Japan may levy tariffs, and will raise eyebrows at the idea of a bland “Made in Korea” label – although Singapore has accepted this, in talks toward a bilateral FTA. Livingart has plans to export to Europe, where its products already have a market.

Already the zone is broadening. In December, Woori Bank opened a branch, albeit with neither telephone nor Internet so far. A Pusan hospital will open a clinic on Jan. 11. Seoul's Korea National Tourism Organization plans to set up an office later this year.

If (as Mao Zedong famously said) a single spark can start a prairie fire, then perhaps one truckload of steel saucepans can also spearhead a revolution. It will not be plain sailing. Politics apart, Livingart admits Northern workmanship is not yet up to scratch; though it is confident that training will do the trick. Meanwhile, one of its workers told the *Korea Times* that few in Kaesong were keen to apply for what they did not consider great jobs. Another, however, told the *JoongAng Ilbo*: “It's very good for me to work here.”

It is early days yet. As ever, the onus is on North Korea to show it is serious and sincere, not just seeking symbolic gestures – and to milk the South. So far Kaesong is little and late. Yet it is a start. Twenty-five years ago, few expected Shenzhen to become today's metropolis, producing inter alia 70 percent of the world's artificial Christmas trees, for customers including the White House. But if Kaesong is to follow suit, Kim Jong-il needs to show more peace and goodwill on other fronts. Alas, a belligerent New Year message gives no hint of that.

### **ICG Notes What Unites and Divides**

It is unsurprising if South Koreans are confused about such contradictory developments. A new study by the International Crisis Group (ICG), which last year opened an office in Seoul, astutely summarizes complex attitudes in South Korea toward its “brother from another planet.” ICG sees emerging consensus in some areas. North Koreans should be helped to overcome their economic hardship, while North-South economic cooperation can be mutually beneficial. Gradual reunification is preferable to sudden collapse and absorption; war is unthinkable. The North's nuclear program is a negative, but not directed at the South and hence not a reason to end engagement. This last is surely more contentious, along with five areas that ICG identifies as such. South Koreans disagree on the wisdom of dealing with the North, how much reciprocity to demand, and whether Kim Jong-il's regime can change. They differ too on how to tackle human rights issues in the North, and whether to end curbs on information about and contact with Pyongyang.

### **Seoul Blocks Northern Websites**

The latter issue is especially anomalous. While Seoul now puts almost no restrictions on trips to Pyongyang, it remains formally illegal in the ROK to read DPRK websites. These have grown in quantity and (to a degree) quality; in late November Seoul blocked access to about 30. The usual perverse outcomes ensued: some sites remained reachable, either directly or (for the tech-savvy) indirectly. North Korea, most of whose own citizens have no Web access at all, loftily denounced this “unprecedented fascist suppression [that is] quite contrary to the requirements of the information technology age.”

The mystery is why the South did not just quietly leave matters be, rather than intervene in a way that is heavy-handed, undemocratic, and contrary to its own professed “Sunshine policy.” The restriction was requested by the police, who bizarrely claim to fear that North Korea's eccentric and narcissistic cyberspaces will corrupt young Southern minds. After protests, Unification Minister Chung said in January that the ban will be reviewed.

### **South-South Conflict Rages, too**

One way would be to amend the National Security Law (NSL), under which this ban was imposed. But “progressives” in the ruling Uri Party demand the NSL's total repeal, which conservatives regard as throwing out the baby with the bathwater. As the year ended, Uri hardliners rejected a compromise that party leaders had thrashed out with the opposition

Grand National Party (GNP), causing a standoff that nearly saw the world's 10<sup>th</sup> largest economy enter 2005 with no budget (the bill had been stuck in the National Assembly for months). Uri's leaders later resigned *en masse*. All this guarantees that, over and above North-South spats, what in Seoul is called South-South conflict (*nam-nam galdeung*, i.e., internecine) will rage on in 2005. Indeed, the latter is not infrequently about the former.

A brave bid to bridge such gaps came in December from an unexpected quarter. A GNP thinktank, the Youido Institute, offered a new stand on *Nordpolitik* that belied the party's normally hawkish image. Under Park Jin – once a UK-based academic, now a rising star seen as a future presidential contender – this advocates “accommodative engagement,” and calls for a Marshall Plan to offer a “landmark incentive” for Pyongyang to ditch its nuclear programs. Despite also pledging activism on human rights and other concerns, Park drew flak both from the GNP's right wing and critics who claimed there is nothing new here. Both accused him of overestimating Seoul's ability to influence Pyongyang.

### **Marital Metaphors**

In a battle of metaphors, one academic critic said South Korea should behave as a subtle lover: carefully and secretly wooing the North, rather than openly declaring its intention to win the other's heart. Park demurred: “I think the inter-Korean relationship is more like a husband [and] wife ... it's like we're trying to help a spouse come back who left home after a huge fight.” Either image may raise eyebrows in Washington, whose own hawks had better note that at least some South Korean conservatives are scarcely kindred spirits. Park's view, and his pledge of bipartisan cooperation, is a world away from rants like that by the Hudson Institute's Michael Horowitz, an architect of the NKHRA, who shocked many in Seoul on a December visit by comparing Roh's North Korea policy to “making love to a corpse.” Plain speech is fine, yet it is hard to see the Horowitz-Bolton school of “diplomacy” winning friends or influencing people in any part of Korea.

### **Pyongyang Lashes Out**

Pyongyang has yet to weigh in on the necrophilia front, but it lost no time in rubbishing Park Jin. On Dec. 26 an article on the DPRK's “Uriminzokkiri” website attacked the GNP, not for the first time, as “a group of pro-American traitors and fascists opposed to democracy,” and dismissed its new overture as stirring “anti-north confrontation.”

If that seems unfair, so was another diatribe the next day laying into the ROK government with equal hostility. Perhaps to justify half a year cold-shouldering Seoul, the Committee for the Peaceful Reunification of the Fatherland (CPRF) accused what it called “the south Korean authorities” – not government, nor was Roh Moo-hyun named – of systematically colluding with the U.S. to worsen inter-Korean relations. Specific charges included barring Southern activists from visiting Pyongyang to pay “homage to President Kim Il-sung on the 10th anniversary of his demise.” Besides “hand in glove with the U.S. and its satellites, they seduced and abducted civilians of the DPRK abroad and took them to south Korea in groups under the cloak of ‘defectors from the north.’” Also mentioned were blocking the North's websites, seeking the DPRK's collapse via

Chungmu 3300 and 9000, and staging joint military exercises “almost every day in league with war maniac Bush.” Needless to say, these are annual maneuvers that were also held during Kim Dae-jung’s presidency.

As John McEnroe would say: You cannot be serious. Even by Pyongyang’s standards this is nonsense. All serious analysts regard Roh Moo-hyun as continuing the Sunshine policy, whether or not they approve. (One might hope that so ungrateful a slap in the face might prompt a rethink in Seoul, or at least some fine tuning; but don’t hold your breath.) What then is the North’s game? Playing for time, probably, or riven by policy disagreements or even – it is rumored – power struggles. That could result in policy paralysis, or at any rate putting everything on ice until the dust settles and a clear line emerges. Watch this space.

### **Chronology of North Korea-South Korea Relations\*** **October-December 2004**

**Oct. 4, 2004:** Chung Moon-hun, a lawmaker of the ROK opposition Grand National Party (GNP), reveals secret Southern contingency plans in case of DPRK regime collapse and mass defections.

**Oct. 7, 2004:** Military officers from both Koreas meet for the first time in three months to discuss cross-border road and rail links. At the border, USAF Maj. Gen. Thomas P. Kane predicts that within a year cross-border road traffic could see 1,000 movements daily in either direction.

**Oct. 13, 2004:** South Korea’s Red Cross warns that, due to the chill in inter-Korean ties, it cannot guarantee the usual 100,000 tons of fertilizer this fall (in addition to 200,000 tons already sent in spring). It relents two weeks later, and delivery is completed Dec. 21.

**Oct. 15, 2004:** Twenty North Koreans seek refuge in the South Korean consulate in Beijing, which later closes due to the pressure of hosting some 130 defectors awaiting clearance to go to Seoul.

**Oct. 16, 2004:** The South returns five Northern fishermen who had drifted into its waters, two via Panmunjom, and three at sea. All had asked to go home, and the DPRK Navy had radioed asking for ROK help in rescuing and repatriating them.

**Oct. 17, 2004:** ROK Unification Ministry says inter-Korean trade in the first nine months fell by 3.3 percent from 2003, to \$492 million. ROK imports fell by 8.6 percent to \$176 million, while exports were steady at \$316 million. Most of the latter (\$248 million) was aid, up 15 percent.

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\* Note: This quarter’s chronology is more of a *Juche* effort than before. Of the two main resources relied on in the past, [www.pyongyangsquare.com](http://www.pyongyangsquare.com) is no longer comprehensive; while the ROK Ministry of Unification appears not to have updated its monthly “Chronicles” since last July.

**Oct. 17, 2004:** A report by the ROK Unification Ministry says 70 percent of DPRK defectors in the South are living in poverty. It attributes this to their unfamiliarity with capitalist culture.

**Oct. 18, 2004:** President George W. Bush signs the North Korean Human Rights Act into law. The DPRK has attacked this as a plot to bring down its regime. The ROK government is also uneasy, regarding the Act as unhelpful and potentially destabilizing.

**Oct. 20, 2004:** A 230-strong Southern delegation crosses the Demilitarized Zone (DMZ) to the North's Kaesong Industrial Zone (KIZ) for the opening ceremony of the Kaesong Complex Management Committee, legally a DPRK corporate body, but staffed by 30 ROK officials.

**Oct. 22, 2004:** Twenty-Nine North Koreans seek sanctuary in a South Korean school in Beijing.

**Oct. 25, 2004:** Fourteen North Koreans try to enter the ROK consulate in Beijing. Eleven make it, but three are caught by Chinese guards.

**Oct. 26, 2004:** Chinese police arrest 63 DPRK migrants and two ROK activists in pre-dawn raids on two apartments in Beijing. The North Koreans are believed to have been deported soon after.

**Oct. 29, 2004:** A defector organization in Seoul publishes "Names Lost To NK Gulags," a list of 617 persons believed to be detained currently or since the 1970s in North Korean prison camps. They include a former ROK officer who defected across the DMZ to the North in the 1970s.

**Nov. 12, 2004:** South Korea announces plans to ban access to some 31 DPRK websites, at police request, under the National Security Law (whose own repeal is being hotly debated.) The ban is implemented – somewhat erratically – later in the month, amid widespread protests.

**Nov. 12, 2004:** Officials in the ROK island province of Cheju say they will ship 10,000 tons of tangerines to North Korea. Since 1998 Cheju has donated 25,000 tons of the fruit to the DPRK, plus 6,000 tons of carrots. In return, two planeloads of Cheju tourists have visited Pyongyang.

**Nov. 12, 2004:** *Rodong Sinmun*, the daily paper of North Korea's ruling Korean Workers' Party (KWP), brands Southern contingency plans in case of a DPRK collapse (see Oct. 4) as "perfidy."

**Nov. 15, 2004:** Hwang Dae-soo, a DPRK interpreter in Vladivostok, seeks asylum at the ROK consulate after a year in hiding, only to be met with curses. When officials learn this exchange has been taped (via a hidden cellphone), he is allowed to come to Seoul, arriving on Dec. 18.

**Nov. 18, 2004:** Opposition lawmakers criticize ROK Defense Minister Yoon Kwang-ung for saying that he plans not to name North Korea as “main enemy” in next year’s defense white paper. Owing to controversy over this term, first used in 1995, no white paper has appeared since 2000.

**Nov. 19, 2004:** ROK Vice Unification Minister Rhee Bong-jo and others take part in an event at the Mt. Kumgang resort to mark the sixth anniversary of Southern tourism there. They deny having any contact with senior DPRK officials during their three-day visit.

**Nov. 23, 2004:** After interviewing three DPRK defectors in Seoul, Rabbi Abraham Cooper of the Simon Wiesenthal Centre says he is convinced that North Korea tests lethal gases for weapons on prisoners. ROK government claims there is no firm evidence.

**Nov. 25-27, 2004:** A meeting of both Koreas’ Red Cross officials at Mt. Kumgang agrees to hold a site survey for a planned but delayed family reunion center on Dec. 10-21. There is no schedule to hold further reunions, of which there have been none since July.

**Dec. 2, 2004:** ROK government reveals that a former DPRK army sergeant who defected last year is being probed on suspicion of spying after making an illicit trip to North Korea.

**Dec. 4, 2004:** It is agreed that Kepco, South Korea’s state electricity provider, will supply 15,000 kilowatts of power per hour across the DMZ to the Kaesong Industrial Zone (KIZ) from January.

**Dec. 7, 2004:** Hudson Institute’s Michael Horowitz causes shock waves at a conference in Seoul when he likens ROK policy on North Korea to “making love to a corpse.”

**Dec. 14, 2004:** ROK FM Ban criticizes the Chinese embassy in Seoul for threatening an opposition lawmaker who chairs an NGO group aiding DPRK refugees in China.

**Dec. 15, 2004:** In his first visit to North Korea, Unification Minister Chung Dong-young leads a 380-strong Southern delegation to the KIZ for a ceremony to mark the first production of goods by an ROK firm, Livingart, in the KIZ. He is cold-shouldered by the DPRK’s far more junior delegation head, and Northern media do not report his presence.

**Dec. 15, 2004:** Seoul’s Financial Supervisory Service (FSS) reveals that Hyundai Merchant Marine (HMM) inflated its 2000 earnings by Won 1.2 trillion. It is suspected that this relates to further secret payments to Pyongyang before the June 2000 summit, beyond the W223.5 billion which HMM has already admitted sending.

**Dec. 16, 2004:** Livingart’s first 1,000 saucepan sets, the first products to be made in the KIZ, sell out in Seoul in two days. The next batch of 2,800 hits the shops on Dec. 29.

**Dec. 16, 2004:** Four North Koreans take refuge in a South Korean school in Beijing.

**Dec. 17, 2004:** Four North Koreans seek asylum at the French mission in Hanoi, having allegedly been turned away by the South Korean embassy there.

**Dec. 17, 2004:** Seven North Koreans, including a female polio victim and a child, seek sanctuary in a Japanese school in Beijing. 29 took the same route in September.

**Dec. 17, 2004:** Seoul court awards damages of W104 million to the widow of Lee Han-young, nephew of Kim Jong-il's ex-consort Song Hye-rim, who defected in 1982 and was murdered in 1997 – by presumed DPRK agents. The court blamed the government for not protecting him.

**Dec. 23, 2004:** ROK Vice Unification Minister Rhee announces tighter procedures for future defectors, including intensified screening and reduced resettlement grants.

**Dec. 23, 2004:** South Korea says that it will, as usual, send 100,000 tons of corn to the North via the World Food Program. This will be purchased in China, costing \$24 million.

**Dec. 26, 2004:** DPRK website dismisses GNP's new Northern policy as "a group of pro-American traitors and fascists opposed to democracy" who are stirring "anti-north confrontation."

**Dec. 27, 2004:** The North's Committee for the Peaceful Reunification of the Fatherland (CPRF) blames the Southern government for the rupture in North-South ties, accusing it of systematically harming relations by various actions over the past two years.

**Dec. 28, 2004:** ROK Foreign Ministry names Song Min-soo to replace Lee Soo-hyuck as chief negotiator at the six-party nuclear talks. If and when these reconvene, four of the six delegations – all except North Korea and Russia – will have new heads.

**Dec. 29, 2004:** DPRK *KCNA* calls U.S. a "disturber of inter-Korean economic cooperation" for restricting ROK technology transfers to the Kaesong Industrial Zone.

**Dec. 30, 2004:** ROK Unification Ministry tallies the year's total of North Korean defectors at 1,890, up 48 percent from 2003. Two-thirds (1,167) are female.

**Dec. 30, 2004:** An opinion poll finds that only 32 percent of South Koreans support NGOs who try to help North Koreans defect, while 62 percent oppose this; 50 percent back official policy toward the North.

**Dec. 30, 2004:** Korea Telecom says that, after eight months of talks, it has agreed on providing telephone service to the KIZ. Call rates will not exceed 50 cents per minute.

**Dec. 31, 2004:** A DPRK patrol boat threatens five times to fire warning shots at an ROK vessel. Each was 10 kilometres behind the Northern Limit Line (NLL), the marine border that North Korea has never officially recognized.