



**North Korea-South Korea Relations:  
Still stalemated**

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Relations between the two Koreas, having already worsened from April when North Korea took umbrage with South Korea's new president, Lee Myung-bak, deteriorated further during the third quarter. This may have been inevitable. In a break from the "sunshine" policy pursued over the past decade by his two liberal predecessors, Kim Dae-jung (1988-2003) and Roh Moo-hyun (2003-08), Lee had signaled that henceforth expanded inter-Korean cooperation would depend on progress in denuclearization under the Six-Party Talks (6PT). Not only did this linkage displease Pyongyang in principle, but the current 6PT stalemate and North Korea's proclaimed restoration of facilities at its Yongbyon nuclear site, have made inter-Korean progress difficult given the Lee administration's conditionalities.

And yet, and yet. By early July, his popularity plunging barely four months into his five-year term (after the U.S. beef import protests and a series of gaffes), the president formerly known as "bulldozer" was ready to try a different tack. On July 11 he told the new National Assembly – elected in April, but only now convening due to inter-party wrangles – that "full dialogue between the two Koreas must resume." He also renewed his offer of humanitarian aid.

**Death of a tourist**

Yet even as Lee spoke, he had just been told of an incident that would nip all this in the bud. On the same day, Park Wang-ja, a middle-aged woman and one of 1.8 million South Korean tourists who have visited the North's Mt. Kumgang resort in the past decade, was fatally shot when she wandered into a forbidden area on a pre-dawn stroll. We may never know exactly what happened – the rumor is a nervous 17-year old female soldier, newly enlisted into the Korean People's Army (KPA) was responsible for the shooting – because Pyongyang, while expressing perfunctory regret, blamed Seoul and refused to let a Southern investigation team visit the site. The ROK responded by suspending all tourism to Mt. Kumgang; the DPRK riposted by threatening to expel "unnecessary" Southern personnel who were keeping the resort facilities ticking over, many of whom duly left. As of early October, the matter remained unresolved, its stalemate a symbol, as well as a major cause, of the parlous state of inter-Korean ties more generally.

Could this have been handled differently? Had it occurred on Roh Moo-hyun's watch, would the North have let Southern investigators in? Might Roh have reacted in some way short of suspending all tourism? – which *inter alia* is having a dire effect on the business of Hyundai

Asan, which runs the resort. Of course, the shooting and Pyongyang's reaction were appalling. Yet this was the first such incident in a decade, which for a paranoid militarized regime like the DPRK is quite something. (It also revealed laxity and complacency on-site, in that Ms Park was easily, if not unwittingly, able to cross the fatal barrier. Either the KPA should be less trigger-happy, or fences should be strengthened – as they since have been).

That the South does not see a general safety issue is clear from the fact that Hyundai's newer cross-border day trips to Kaesong city, an ancient capital just north of the Demilitarized Zone (DMZ), are still continuing, unimpeded by either side. These only began last December, but the cumulative total of visitors is expected to surpass 100,000 this month (October 2008).

### **Life is cheap**

One possibility, though no excuse, is that a regime that sees individual lives as expendable genuinely cannot grasp what all the fuss is about. Thus in a little-reported incident a month later, a South Korean barge that had been excavating sand off North Korea's east coast – a reminder that inter-Korean business goes on, even while politics is icy – ploughed into a DPRK fishing boat while sailing home. The boat sank, and two Northerners died. It was two in the morning and the ROK captain admitted his crew was asleep and he was steering solo. Yet after a day's questioning the local KPA authorities let them go home, without penalty or any demand for compensation. Maybe this was an olive branch; if so, it went unnoticed in Seoul.

### **No Olympic cooperation**

The inter-Korean freeze put paid to plans, which come up every four years, for a joint Korean team for the Olympic Games. This has never happened, nor did it this time. In the last two Olympics, in Sydney and Athens, the two Korean teams marched together at the opening ceremony (albeit to the chagrin of many ROK athletes, who did not get to march at all so as to keep the numbers from each side equal since the South sends much larger teams). This time they could not even manage that; each Korea entered the Beijing stadium separately. Nor did the exciting prospect of the first train from Seoul to Beijing in over half a century, carrying a joint cheering squad of supporters, come to pass. This all seems a great pity. In competition, both Koreas performed creditably: the South finished seventh (ahead of Japan) in the final medal tables, while the North ranked 33<sup>rd</sup>.

Off the track, Lee Myung-bak got to shake hands with Kim Yong-nam, the North's titular head of state, at the opening banquet. Apparently they did not talk. They were seated on opposite sides of the same table, but it was too wide for conversation.

Elsewhere, in the interminable qualifiers for soccer's World Cup, North Korea maintained its unsporting and illegal refusal to let South Korea fly its flag or play its anthem when the two were again drawn to play each other in Pyongyang on Sept. 10. Again FIFA allowed the match to be moved to neutral Shanghai. The result, 1-1, was their fourth consecutive draw.

## **Kaesong carries on**

The suspension of Mt. Kumgang tours did not affect the other major cross-border business project, the Kaesong industrial complex (KIC). As of July 4, the number of Northern workers there topped 30,000, working for 72 Southern (mostly smallish) firms. These employers announced on Aug. 13 that the minimum monthly wage had been raised by 5 percent, from \$52.50 to \$55.13, the second pay rise since the complex opened in 2004. The money is paid to DPRK authorities, so how much actually reaches the workers' pockets is not clear.

Bussing 30,000 workers in and out daily is quite a challenge. (Many cycle; the North will not let new rail lines be used.) On Sept. 21 *Rodong Sinmun*, the DPRK's ruling party daily, attacked "traitor" Lee Myung-bak for opposing plans for a Northern workers' dormitory at the KIC; it accused him of "trying to ruin all business projects in Kaesong." Lee claims that this could lead to industrial unrest. The previous Roh administration had agreed to build the 15,000-bed facility, while a labor shortage is feared if the zone continues to expand as originally envisaged. It is not immediately obvious why such a dormitory should be suspect.

## **Seoul continues aid under 6PT**

The nuclear Six-Party Talks (6PT), despite a worsening dispute over verification issues, did at least provide a context for the two Koreas to meet. They did so, at the North's request, at Panmunjom on Sept. 19 to discuss energy-related aid being sent by the South under the 6PT. Though no agreement was reached, later reports that South Korea may suspend deliveries – specifically of 4,000 tons of steel pipes – appeared premature. Meeting in New York on Sept. 22 for the UN General Assembly, Foreign Minister Yu Myung-hwan and U.S. Secretary of State Condoleezza Rice decided to continue aid to the North, for now.

Days later, North Korea unexpectedly suggested military talks. The first official bilateral contact of the Lee era accordingly took place at Panmunjom on Oct. 2. It was a damp squib. The start was delayed by almost an hour when the North demanded that the media be present throughout with the South protesting that this was not usual. When the meeting eventually began, all the DPRK wanted to do was protest Southern NGOs spreading propaganda leaflets across the DMZ. In an apparent olive branch to Pyongyang, the ROK government duly did ask those concerned to desist – which they robustly declined to do: at least two balloon launches were set to go ahead as planned in October.

## **Diplomatic *déjà vu***

One effect of the Kumgang shooting incident was a brief revival of inter-Korean diplomatic competition, as seen 30 years ago in the Non-Aligned Movement (NAM) and elsewhere. It began at the ASEAN Regional Forum (ARF), held in Singapore on July 24. The ARF is the only regional gathering that the DPRK attends regularly. Behind the bonhomie – short-lived, as it turned out – over the recently concluded 6PT plenary, Foreign Minister Pak Ui-chun asked the ARF to press Seoul to fully implement the two summit accords of 2000 and 2007. His ROK

equivalent, Yu Myung-hwan, was equally keen to have ARF urge the DPRK to cooperate in investigating the Kumgang shooting. The chairman's draft statement included both Koreas' demands. Then the ROK protested at the summit references, only to see both this and its own probe demand excised from the final version as if to say: a plague on all Koreans and their pesky rows. So neither side won. The Seoul press demanded Yu's head. With Yu also under petty-minded instructions to cold-shoulder his Japanese opposite number over Dokdo/ Takeshima, this was not ROK diplomacy's finest hour.

### **Honor all accords, not just the two summits**

The battle then moved to Tehran, where the NAM – still going, though it is hard to see why – met July 27-30. This time the ROK – never a full member as the DPRK kept it out, arguing not unreasonably that hosting 20,000-plus U.S. forces constitutes alignment – did manage to get some of its preferred wording into the final cut: calling on the North to honor all inter-Korean accords. The aim and subtext here is to get away from the stance shared by Pyongyang and the last two ROK administrations whereby inter-Korean relations are falsely implied to have only begun with Kim Dae-jung and the 2000 summit.

This of course elides decades of fitful prior contacts, above all the two North-South accords – one general, the other on denuclearization – of late 1991. Neither was ever implemented, as the rise of the first North Korean nuclear crisis soured relations. Resurrecting this now is perfectly fair in theory, but as with its linking inter-Korean progress to denuclearization, one does wonder quite what Lee Myung-bak expects this changed stance will achieve in practice.

### **Human rights: silent no more**

Inter-Korean rapprochement will not be helped by signals from Seoul that it will not stay silent on Pyongyang's human rights abuses. The issue was raised, unprecedentedly, in President Lee's joint statement with President George W Bush, who stopped over briefly in August en route to Beijing. A week later the North refused to let Jay Lefkowitz, Bush's special envoy on DPRK human rights, visit the Kaesong industrial zone from Seoul. Lefkowitz has previously criticized working conditions at the complex.

Or again, in September the ninth Seoul Peace Prize, worth \$200,000, went to Suzanne Scholte, president of the Defense Forum Foundation (DFF), a conservative Washington NGO, for her work raising awareness of North Korean refugees and human rights issues. Previous winners are a diverse bunch: they include Kofi Annan, Vaclav Havel, George Schultz, Juan Antonio Samaranch and Oxfam. Ms. Scholte's sterling work would certainly not have been thus honored in Seoul during the past decade.

### **On Japan, at least, they agree**

August 15, Liberation Day from Japan in 1945, is a holiday in both Koreas. During 2001-06 they celebrated it jointly; not always without incident, as the North sometimes tried to enroll the Southern visitors in overtly pro-DPRK activities. Last year Busan, the ROK's main port and second city, was to play host – but North Korea pulled out at short notice, in protest at upcoming

US-ROK military exercises. The latter, now renamed *Ulchi Freedom Guardian*, are an annual event, and Pyongyang's protests are equally routine. Needless to say there was no celebration this year. Lee Myung-bak used the occasion to renew his call to North Korea to abandon nuclear weapons and resume full-fledged dialogue and economic cooperation with the South, but got short shrift.

But there is one thing Koreans can always agree on. North Korea is as fierce as the South in defending the "Koreanness" of the disputed Dokdo/Takeshima islets. Thus a joint committee for implementing the 2000 summit declaration used the occasion to condemn "the Japanese imperialists' vicious colonial rule over the Korean nation," adding that "Japan has not yet admitted the thrice-cursed crimes it committed against the Korean people, but is getting more frantic in distortion of its history of aggression, moves to grab Dokdo islets and political suppression of Koreans in Japan." At other times, however, Northern media attacked Lee Myung-bak for allegedly kowtowing to Tokyo.

### **How hungry?**

It now looks as if the whole of 2008 will pass without South Korea giving any official food aid to the North. The half-million tons of grain which Seoul has sent – nominally as a loan – in most recent years was, in effect, substituted by the similar amount donated by the U.S. at an earlier, happier stage in the 6PT process. In August, WFP directly asked Seoul to give a modest \$60 million worth, but even this has not happened, despite the ROK's professed willingness to provide. No doubt both Koreas find it hard to swallow their pride.

### **A Northern Mata Hari reveals all**

On Sept. 9 Won Jeong-hwa, 34, a North Korean defector, pleaded guilty to being a DPRK agent. Over five years since arriving in Seoul she had slept with at least four army officers, passing secrets thus obtained back to Pyongyang. On Oct. 1 prosecutors sought a five-year jail term; sentencing is due on Oct. 15. This trial is the first of its kind for a decade, a lacuna that conservatives claim is no accident as they accuse the last two presidents, Kim Dae-jung (1998-2003) and Roh Moo-hyun (2003-08) of playing down North Korean espionage so as not to jeopardize the "sunshine" policy. Likewise, the National Intelligence Service (NIS) was discouraged from pursuing the North's malefactions, so jeopardizing national security.

There may well be some truth in this; just as, elsewhere, new school textbooks published in the past decade have swung from the old excoriation to a nationalist stance that forgives or whitewashes North Korea across the board. Finding a better balance is one thing, but the fear is that Lee Myung-bak, or some around him, will try to put the clocks back entirely. The NIS is heavily, perhaps fatally, compromised by its origins under the military dictators who ruled from 1961 to 1987, when, as the agency now admits, its predecessor the KCIA tortured and killed innocent democrats whom it falsely painted as pro-North.

## **Turning the clocks back**

Against that background, there are some worrying signs. On Aug. 26 police arrested Oh Se-cheol, former dean of the business school at prestigious Yonsei university, along with six other members of the Socialist Workers League of Korea (SWLK), for denouncing liberal capitalism: apparently a crime under the catch-all National Security Law (NSL), which dates back to the era of dictatorship and is long overdue for repeal (Roh Moo-hyun tried to, but failed). As Trotskyists, the SWLK are no friends to North Korea, which they denounce just as strongly as capitalism. Fortunately a court threw out the arrest warrant, noting that “no evidence shows that the group damaged society with fatal ideas.”

## **Rewriting history**

Again, in an unprecedented request on Sept. 6 the Defense Ministry (MND) formally asked the education ministry to revise 25 chapters of the current high school modern history texts. Regarding the military dictator Chun Doo-hwan, who seized power in 1979 and perpetrated the 1980 Kwangju massacre, MND wants the phrase that Chun “staged oppressive politics based on military power” replaced by “was forced to take several measures to curb activities of some left-wing groups, who, under the name of democracy, were friendly toward North Korea.” That is an odd way to describe the death sentence imposed on the democrat Kim Dae-jung – who ironically later pardoned Chun after he in turn was sentenced to death, on less trumped-up charges, in 1996. Balance is one thing, but this move seems ominous.

Separately, MND has a list of banned books that conscripts must not read. These include *Bad Samaritans*, a popular critique of the “Washington consensus” on development by Ha-Joon Chang, a well-known Korean professor at Cambridge whose stance is Keynesian rather than Marxist, far less pro-North. This ban too is ominous, as well as ludicrous and counter-productive: since the list was publicized, sales of this and other banned books have shot up.

On Sept. 27 the Seoul daily *Chosun Ilbo* reported that the National Police Agency (NPA) is monitoring 76 pro-DPRK websites overseas: 31 in the U.S., 19 in Japan, 13 in China, 4 in Germany, and 9 elsewhere. Some cunningly disguise themselves with names such as book center, university, bank, *baduk*, Korean music, and so forth. It is absurd by any standards that South Korean are denied the freedom to see these mostly risible sites, as they still are.

## **Health warning**

Kim Jong-il’s absence on Sept. 9 from the DPRK’s 60<sup>th</sup> anniversary parade started rumors about his health around the globe – in Seoul by no means least. That is understandable, if again unhelpful in the context of trying to kick-start dialogue. Both the ROK government and NGOs returning from Pyongyang warned against intelligence leaks and excessive speculation, for fear that these would simply infuriate the North.

## **Gas or hot air?**

The end of the quarter found Lee Myung-bak on a state visit to Russia. On Sept. 29 he agreed with Russian President Dmitry Medvedev to link the inter-Korean and trans-Siberian railways, and to build a gas pipeline from Russia to South Korea via North Korea. Both are good ideas, which as Lee said would help South Korea cut its logistics costs. The gas project – only a memorandum of understanding (MOU), at this stage, between Kogas and Gazprom – envisages Seoul importing gas worth \$3 billion annually over 30 years, starting in 2015.

There is just one small problem. It is not South Korea that has a border with Russia. Lee airily told reporters that the benefits, especially from the pipeline, will be too attractive for North Korea to ignore. This suggests, alas, that he neither knows his history, nor has he learned the lessons of the failure of his approach to the North thus far.

The pipeline idea goes back two decades. The first to push for this was the late Chung Ju-yung, founder of the Hyundai conglomerate, on his pioneering first visit to North Korea in 1989. Yet not even the formidable Chung, well-connected in all three capitals, could make this happen. In those days South Korea too had cold feet – but basically the North Koreans were not interested, even in a project that could have earned them a handsome rent as well as providing badly needed energy, all at little cost or risk to their system.

Will it be different now? Kim Jong-il's regime may be in dire economic straits but it still has its pride. Pyongyang's brusque rejection of Lee's patronizing Vision 3000 plan – his offer to raise average Northern annual income per head to \$3,000 – should have told him how not to handle the North. It is the same technocratic arrogance that has seen his popularity plummet at home. Lee knows what is best for everyone, and expects them just to tag along. But politics does not work like that anywhere, least of all with prickly North Korea: not a regime that follows anyone, meekly or otherwise, nor much given to picking the sensible business option. At this writing the North had yet to comment on Lee's gas idea, so we shall see.

## **Slow train**

As for the railway, wheels are already in motion. In Moscow's first major investment in the DPRK for 20 years – \$8 billion in unpaid Soviet-era debts remains a disincentive – Russian Railways signed a deal in April to renovate the track from Russia's border town of Khasan to North Korea's Rajin port, where a container port will be built with an eye to South Korean cargo. Negotiations over that 30 miles of track took seven years. With the North's wider rail infrastructure falling to pieces – modernizing it will cost at least \$2 billion – no one should expect to catch a fast train from Seoul to Scotland any time soon. Physically, the journey is already feasible; but politically, despite all the excitement in Seoul last year over relinking cross-border railways (much rhetoric about healing the nation's severed arteries) in practice, North Korea was markedly reluctant to let the new lines actually be used – even to please the more sympathetic former Roh Moo-hyun administration.

## **Business? What business?**

Some of the best reporting on Korea in recent years has come from the *Los Angeles Times*' Barbara Demick. Her prizewinning masterpiece, a reconstruction from defector interviews of how the 1996-98 famine hit the northeastern city of Chongjin, forms the basis of a book due out next March – which hopefully will get neanderthal right wing bloggers (plus the likes of Hugh Hewitt, who should know better) off her case.

On a recent trip to Pyongyang, Demick noted “a mysterious building boom” and wondered who might be paying for it. Perhaps the South? Writing on Sept. 27, she continued:

...South Korean companies and individuals have mostly ignored the political chill. Among the biggest players here are a unit of the Hyundai conglomerate, which operates the resort where the shooting occurred, and companies affiliated with the Rev. Sun Myung Moon's Unification Church, which also runs a car assembly plant in North Korea. The church last year completed work on what it calls the World Peace Center, behind the Potonggang Hotel, also owned by church affiliates.

But this misleads, on two counts. First, the Hyundai that is losing money at the still closed Kumgang resort is no longer related to mighty namesakes like Hyundai Motor or Hyundai Heavy Industries (HHI), the world's largest shipbuilder. The empire built by Chung Ju-yung has splintered since his death in 2001. Internecine strife among his many sons is one reason, but another – not unrelated – is that most wanted nothing to do with their father's Northern adventure, seeing this as a license to lose money. The sole exception, Chung Mong-hun (his father's favorite), inherited the poisoned chalice – and killed himself two years later, under investigation over illicit financial transfers to Pyongyang. His widow now runs what is left of this rump of Hyundai, not helped by the North's tough line on the July shooting incident.

## **Most *chaebol* steer well clear**

The other misleading note is that Hyundai Asan and the Unification Church are not “among the biggest players.” Rather, they are the only ROK firms of any size active in the DPRK. None of the other *chaebol* – Samsung (by far the biggest), LG, Lotte, Hanwha, Hanjin et al – has ever dipped more than a toe in the water. The reason is simple: all have seen Hyundai taken to the cleaners and are steering well clear. The contrast with Taiwanese firms in China is striking. One wonders if Kim Jong-il, or his successor, will ever grasp that fleecing the few willing to take the plunge is no recipe for either partnership or long-run success. (As for the “Moonies” – an intriguing and ironic presence, given Rev. Moon's original expulsion from the DPRK and decades of staunch anti-communism – they are not in it for the money.)

## **Signs of a thaw?**

As a new quarter began, there were signs of a thaw. Thus Unification Minister Kim Ha-joong said he hoped Kumgang tourism could resume in time for its 10th anniversary in November. His basis for this was not clear, but perhaps the two sides are weary of sniping and ready to bury the hatchet. If so, the timing looks hardly propitious in view of the state of the 6PT and Lee Myung-bak's insistence hitherto on denuclearization progress as a precondition.

Whatever “sunshine’s” faults, it is hard to see this year as an improvement. Former President Roh Moo-hyun, while clearly not a neutral party, put it eloquently. Leaving his rural retirement retreat for the first time to come to Seoul for the first anniversary of his summit with Kim Jong-il (Unification Minister Kim was too busy to attend), Roh protested that the agreement he signed has been “abandoned. ... I hoped it would be thick with leaves and bear fruit one year later, but now the tree is shriveling.” It is difficult to disagree. Some rethinking in both Korean capitals is surely overdue; we shall see if it is forthcoming.

## **Chronology of North Korea-South Korea Relations July-September 2008**

**July 1, 2008:** Sources in Seoul say the International Olympic Committee (IOC) has asked both Koreas that their athletes march together during the opening and closing ceremonies at the Summer Olympics in Beijing.

**July 3, 2008:** The DPRK’s Committee for the Peaceful Reunification of the Fatherland (CPRF) denounces the ROK for officially commemorating the sixth anniversary of what it now dubs the “Second Yeonpyeong Naval Battle” on June 29, calling this a provocation. six ROK sailors died in a border clash when fired on by DPRK vessels.

**July 6, 2008:** In Seoul, UN Secretary-General Ban Ki-moon – a former ROK foreign minister – offers to play “a facilitator role” in improving inter-Korean relations.

**July 6, 2008:** The Associated Press (AP) reports that 100,000 or more South Koreans were killed in hurried mass executions in mid-1950 early in the Korean War by ROK authorities, who feared southern leftists might help the invading DPRK troops. The ROK’s official Truth and Reconciliation Commission (TRC) is investigating this, including a possible U.S. role. The TRC estimates that 7,000 were summarily killed by military and civil police in Daejeon city alone, where an ex-prison guard has testified that all prisoners sentenced to 10 years or more were trucked off to the killing fields.

**July 7, 2008:** President Lee Myung-bak reiterates his willingness to meet DPRK leader Kim Jong-il any time, if this will help end North Korea’s nuclear programs.

**July 8, 2008:** The Kaesong Industrial District Management Committee reports that as of July 4 the number of DPRK workers in the zone topped 30,000, hired by 72 ROK firms. Cumulative output in the zone since 2004 was worth \$374 million as of end-May.

**July 8, 2008:** Good Friends, a leading ROK Buddhist NGO, claims half a million North Koreans will starve to death by September absent immediate food aid from the South.

**July 10, 2008:** Six-Party Talks on the North Korean nuclear issue resume in Beijing, after a hiatus of nine months.

**July 10, 2008:** In a meeting at Panmunjom, North Korea protests upcoming US-ROK war games. Each side also accuses the other of violations within the truce village: Northern soldiers allegedly overturned tables while Southern tourists were visiting, while the KPA accused Southern troops of provoking them with angry stares.

**July 11, 2008:** A KPA soldier shoots dead a middle-aged female Southern tourist at Mt. Kumgang, Park Wang-ja, who apparently strayed into a restricted area on a pre-dawn walk. Seoul at once suspends tourism to the resort pending an investigation. The DPRK expresses regret, but refuses to apologize or allow entry to an official ROK enquiry team.

**July 11, 2008:** President Lee goes ahead with a planned speech to the new ROK National Assembly; saying that “full dialogue between the two Koreas must resume,” including on how to implement the summit accords of both 2000 and 2007 as well as the never-realized 1991 inter-Korean basic agreement. He also offers humanitarian aid.

**July 12, 2008:** The Guidance Bureau for Comprehensive Development of Scenic Spots, which oversees the North’s tourism business, says that the DPRK regrets the death of Park Wang-ja, but responsibility rests entirely with the South.

**July 12, 2008:** The Six-Party Talks in Beijing conclude with a six-point agreement. North Korea undertakes to fully disable its Yongbyon reactor by October, while other parties will complete delivery of energy aid by the same date. Details are to be finalized in working-level discussions.

**July 13, 2008:** *Rodong Sinmun*, daily paper of the DPRK’s ruling Workers’ Party of Korea (WPK), dismisses President Lee’s call to resume inter-Korean dialogue as “nothing new.” It accuses Lee of evasiveness in “mingling all the past agreements together,” rather than specifically endorsing and prioritizing the two summit accords of 2000 and 2007.

**July 15, 2008:** A propos the ROK navy’s participation in the ongoing *RIMPAC* multilateral maritime exercises off Hawaii, *Rodong Sinmun* accuses South Korea of seeking a “triangular military alliance” with the U.S. and Japan and warns of “catastrophic consequences.”

**July 18, 2008:** The DPRK’s Korean National Peace Committee calls the just-announced *Ulji Freedom Guardian* joint US-ROK exercises, to be held August 18-22, “an open declaration of confrontation” by the U.S. “warmongers” and South Korean “puppet forces”.

**July 19, 2008:** The North Korean website Uriminzokkiri denounces Tokyo’s renewed claim to the disputed Dokdo/ Takeshima islets, but blames Lee Myung-bak for ingratiating himself with the “mortal enemy”, claiming that “Lee has paid a tribute to the Jap King (sic), calling him ‘Tenno (The Lord of Heaven).’”

**July 20, 2008:** *Tongil Sinbo*, the North's weekly covering the South, says that Lee Myung-bak’s July 11 address contained nothing new, but clearly revealed his confrontational stance towards the North. It demands that he clarify his position on the two inter-Korean summits.

**July 23, 2008:** At informal six-party meetings ahead of the Asean Regional Forum (ARF) in Singapore, ROK Foreign Minister Yu Myung-hwan reiterates Seoul's demand for a full joint investigation into the tourist incident to his DPRK equivalent, Pak Ui-chun. Yu also raises the issue a day earlier at the 'ASEAN + 3' (China, Japan, ROK) foreign ministers' meeting. For the North, Pak calls on the South to endorse the two inter-Korean summit declarations. Harried by both sides, the eventual chairman's statement deletes all references to Korea.

**July 24, 2008:** After ROK Defense Minister Lee Sang-hee calls the DPRK a "present enemy" on July 21, the North's Korean Central Broadcasting Station (KCBS) threatens the South with an unspecified "tougher counter-measure" for this "unpardonable provocation".

**July 27-30, 2008:** Diplomatic dueling continues at the Non-Aligned Movement (NAM) ministerial meeting in Tehran. The DPRK is a member, the ROK only an observer. Seoul is satisfied that the final declaration reflects much of its own position, specifically on honoring all inter-Korean agreements (and not only the two summits of the past decade).

**July 31, 2008:** South Korea's Unification Ministry (MOU) announces that President Lee's policy towards the North will officially be known as "coexistence and coprosperity." Critics complain of a lack of hard detail, while Pyongyang dismisses this as nothing new.

**Aug. 1, 2008:** An ROK firearms expert says forensic evidence suggests that Park Wang-ja may not have been fleeing when fatally shot. Denied access to the North, an 8-member team conducts a 2-day simulation of the incident on South Korea's east coast.

**Aug. 1, 2008:** In its first official comment, the ROK Defense Ministry (MND) denounces the KPA's shooting of Ms. Park, an unarmed civilian, as violating both humanitarian principle and international law.

**Aug. 3, 2008:** The (North) Korean People's Army (KPA) unit at Mt. Kumgang issues a "special statement in connection with the unsavory incident ... on July 11." Besides giving the North's version of events, this lambastes the "south Korean puppets" for their "reckless racket" and threatens to expel "unnecessary" South Koreans from the mountain resort.

**Aug. 4, 2008:** Chung Mong-joon, head of the (South) Korean Football Association – also a ruling party MP, presidential hopeful, Hyundai scion (shipbuilding) and Korea's richest man – says North Korea will again try to shift an upcoming soccer World Cup qualifying match with the South on Sept. 10 to a third country venue, as happened in March, rather than let the ROK fly its flag and play its national anthem in Pyongyang as FIFA regulations require.

**Aug. 5, 2008:** South Korea says it has given up trying for a joint march of both Korea's athletes into the Beijing Olympic stadium, as in Sydney in 2000 and Athens in 2004. More ambitious plans, for a single team and joint cheering squad, had already foundered over the North's refusal to discuss details since the change of government in Seoul.

**Aug. 6, 2008:** In Seoul, President Lee and the visiting U.S. President George W Bush jointly urge North Korea to improve human rights and immediately complete denuclearization as a prerequisite for normalizing relations. This is the first such joint pressure on human rights.

**Aug. 7, 2008:** MOU reveals that Pyongyang has refused to let Jay Lefkowitz, President Bush's special envoy on DPRK human rights, visit the Kaesong industrial zone from Seoul on Aug. 13. Lefkowitz has previously criticized working conditions at the complex.

**Aug. 8, 2008:** President Lee briefly meets the DPRK titular head of state, Kim Yong-nam, at a banquet marking the opening of the Olympic Games. They shake hands, and are seated diagonally opposite one another at a large table. It appears that they do not converse.

**Aug. 8, 2008:** MOU reports delivery of 600 tons of steel bars as part of South Korean energy assistance to the North under the 6PT. This brings cumulative ROK aid to 124,000 tons of heavy fuel oil (HFO) or its equivalent.

**Aug. 8, 2008:** The South returns the body of a KPA second lieutenant, found in the Imjin River last month, to the North's military mission at Panmunjom.

**Aug. 9, 2008:** The KPA's Mt. Kumgang unit notifies Seoul that it will implement its threat of a week earlier, and start expelling ROK officials the next day (Aug. 10). Some 20 South Koreans depart by Aug. 12, leaving over 140 still there to manage the resort.

**Aug. 13, 2008:** North Korea criticizes the captain of a South Korean barge, sailing for home after excavating sand (with permission) off the DPRK east coast, for a collision the previous night which sank a Northern fishing boat, killing two crew. The local KPA nonetheless lets the ROK vessel or crew go without any punishment, since this was an accident and at night.

**Aug. 13, 2008:** A spokesman for the 72 ROK companies in the Kaesong industrial zone says the minimum monthly wage for their 30,000 DPRK employees has been raised by 5 per cent, from \$52.50 to \$55.13. This is the second pay rise since the complex opened in 2004. The money is paid to DPRK authorities, so how much reaches the workers' pockets is not clear.

**Aug. 15, 2008:** President Lee marks Liberation Day – from Japan in 1945; a holiday in both Koreas, jointly celebrated from 2001 until 2006 – by renewing his call to North Korea to abandon nuclear weapons and resume full-fledged dialogue and economic cooperation with the South. There is no immediate response from Pyongyang.

**Aug. 15, 2008:** The North, South, and Overseas Side Committees for Implementing the June 15 [2000 inter-Korean summit] Joint Declaration issue a joint statement on “the Japanese imperialists' vicious colonial rule over the Korean nation,” saying that “Japan has not yet admitted the thrice-cursed crimes it committed against the Korean people, but is getting more frantic in distortion of its history of aggression, moves to grab Dokdo islets and political suppression of Koreans in Japan.”

**Aug. 18, 2008:** MOU reveals that North Korea has demanded further personnel cuts at Mt. Kumgang, down to 200 by Aug. 20. This will reduce the non-DPRK workforce from 536 (of whom 114 are South Korean) to 199: 74 from the ROK and 125 “necessary” other nationals.

**Aug. 18, 2008:** Both the KPA’s Panmunjom mission and the DPRK Committee for Peaceful Reunification of the Fatherland (CPRF) denounce the annual *Ulji Freedom Guardian* joint U.S.-ROK wargames, on the day these begin. *Minju Joson*, the DPRK cabinet’s daily paper, comments next day: “This shows what Lee [Myung-bak] means by ‘dialogue’ and ‘peace.’”

**Aug. 18, 2008:** As part of *Ulji Freedom Guardian*, the ROK holds a Cabinet meeting in an underground bunker. President Lee says South Korea must remain prepared in case of conflict. On Aug. 24 DPRK media denounce this as “unpardonable wild words of war.”

**Aug. 19, 2008:** Lim Tae-hee, chief policymaker of South Korea’s ruling Grand National Party (GNP), says that North Korea might have sent a representative to President Lee’s inauguration if it had received a special invitation, rather than the same ordinary invitation as sent to other countries. This hint was ignored, and the North duly stayed away.

**Aug. 22, 2008:** The DPRK’s front Social Democratic Party (SDP) and the ROK’s hard-left Democratic Labor Party (DLP) jointly denounce Tokyo’s claim to the Dokdo islets as well as its persecution of Chongryon, the organization of pro-North Koreans in Japan.

**Aug. 23, 2008:** The UN World Food Program (WFP) says that while North Korea’s food shortage is not at the famine level of a decade ago, aid from South Korea is essential. Earlier WFP asked Seoul to contribute food worth \$60 million.

**Aug. 25, 2008:** President Lee urges Chinese president Hu Jintao, on a visit to Seoul, to stop repatriating North Korean defectors from China. Hu’s response is not recorded.

**Aug. 26, 2008:** The DPRK announces that as of Aug. 14 it has stopped disabling its nuclear facilities at Yongbyon.

**Aug. 26, 2008:** MOU announces that the official English name for the new administration’s approach to North Korea is “the policy of mutual benefits and common prosperity.”

**Aug. 26, 2008:** MOU reports 1,744 North Korean defectors reached the South in the first half of this year, up 41.7 percent from 1,230 during the same period last year, and more than double the 2006 first-half figure of 869. At this rate, the total for 2008 will top 3,000 for the first time.

**Aug. 26, 2008:** Seoul warns that DPRK defectors who seek refugee status again in a third country, having already obtained ROK citizenship, may face criminal punishment. Last year some 130 North Koreans in this position were granted political asylum in the UK alone.

**Aug. 27, 2008:** South Korean prosecutors say they have arrested a female North Korean spy, Won Jeong-hwa, who posed as a defector and allegedly used sexual favors to gain sensitive information from South Korean military officers.

**Aug. 29, 2008:** The DPRK Red Cross ridicules the ROK's recent holding of luncheons to console elderly members of separated families as "a clumsy trick and a burlesque." Family reunions have been suspended since last November, owing to the current political freeze. In 16 such reunions since the June 2000 summit, 16,212 family members have briefly met their relatives. A further 3,748, mostly too weak to travel, have been reunited for a few hours via real-time video links since August 2005. Over 90,000 South Koreans are on a waiting list.

**Aug. 28, 2008:** To some surprise, the ROK defense ministry (MND) says it will not formally label the DPRK as an enemy in its next biennial White Paper. The two previous liberal administrations had drawn conservative flak for dropping this tag. MND adds that it will, however, emphasize the "very substantial and present threats" posed by North Korea.

**Sept. 1, 2008:** The South returns two North Koreans whose small boat had drifted into ROK waters, handing them over to DPRK authorities at sea at the Northern Limit Line (NLL): the de facto western marine border, which Pyongyang does not officially recognize. In a similar incident two days later, two young North Korean women whose boat also drifted into Southern waters are returned, this time via Panmunjom (and presumably sans boat).

**Sept. 3, 2008:** The ROK Foreign Ministry, MOFAT, formally protests (in mild terms) the DPRK's efforts to restore its Yongbyon nuclear site.

**Sept. 3, 2008:** The DPRK's Committee for the Peaceful Reunification of the Fatherland (CPRF) says that Won Jeong-hwa is a convicted criminal who fled to South Korea after being caught in scams and stealing. It accuses the ROK of fabricating the spy case.

**Sept. 3, 2008:** The ninth Seoul Peace Prize, worth \$200,000, is awarded to Suzanne Scholte, president of the Defense Forum Foundation (DFF), a conservative Washington NGO, for her work raising awareness of North Korean refugees and human rights issues.

**Sept. 4, 2008:** *Yonhap* reports a police survey finding that 1,687 Northern defectors, or 20 percent of the total arrivals of 8,885 (1998 – Jan. 2007), have criminal records in the South. Over half of these, or 10 percent of all defectors, committed murder, robbery, or assault. Other surveys find that nearly a quarter have been swindled financially in the ROK, while over 60 percent feel discriminated against at work and distrustful toward South Koreans.

**Sept. 9, 2008:** Kim Jong-il misses a military parade (itself scaled down) in Pyongyang for the DPRK's 60<sup>th</sup> founding anniversary. He is rumored to be ill, and to have suffered a stroke in August. North Koreans deny that anything is amiss; but Kim fails to reappear throughout September and through early October, so speculation continues.

**Sept. 5, 2008:** A German lawmaker visiting Pyongyang says that North Korea is waiting for "strong signals" from Seoul before resuming dialogue. Hartmut Koschyk, chairman of the Germany-DPRK parliamentary group, quotes the North's titular head of state, Kim Yong-nam, as telling him that "inter-Korean relations depend on how South Korea acts."

**Sept. 7, 2008:** WFP director Jean-Pierre de Margerie tells Yonhap that Pyongyang would not reject food aid from Seoul despite the current political chill, at this “very dire period in terms of food security.”

**Sept. 7, 2008:** A report by Hyundai Research Institute claims that inter-Korean cooperation has generated \$27.6 billion in economic gains for South Korea since the 2000 summit. This includes \$7.7 billion saved in interest payments as eased tensions raised sovereign credit ratings, and \$18.1 billion from reduced defense spending. Less nebulously, the Kaesong and Kungang projects have created \$1.62 billion in employment and investment in the ROK.

**Sept. 16, 2008:** A government source says South Korea will deliver energy assistance due under the Six-Party Talks (6PT), despite the North’s recent nuclear backtracking.

**Sept. 17, 2008:** South Korea repatriates via Panmunjom the body of a drowned KPA soldier, found in the Imjin River (which flows from North to South) on Sept. 2.

**Sept. 19, 2008:** Nuclear delegations from each Korea hold their first meeting in two months at Panmunjom, at the North’s instigation, to discuss energy aid under the 6PT. No progress is made. Hyon Hak-bon of the DPRK Foreign Ministry criticizes U.S. verification demands, and dismisses reports that Kim Jong-il is unwell as “the mere sophistry of bad people who do not want our country to fare well.”

**Sept. 20, 2008:** Seoul allows the first civic visits to the North since July’s shooting incident. 136 members of the Korean Sharing Movement, plus a dozen journalists, fly to Pyongyang by chartered plane to monitor aid projects, while the Korean Confederation of Trade Unions (KCTU), the more militant of the country’s two umbrella labor groups, sends a 13-member delegation on a five-day visit.

**Sept. 21, 2008:** *Rodong Sinmun* attacks “traitor” Lee Myung-bak for opposing plans for a Northern workers’ dormitory at the Kaesong industrial complex, and accuses him of “trying to ruin all business projects in Kaesong.” Lee claims this could lead to industrial unrest.

**Sept. 22, 2008:** 96 members of the (ROK) Catholic Priests’ Association for Justice fly to Pyongyang to hold a special mass. A day later, 15 Southern pro-unification activists go to the North to discuss ways to enhance exchanges with their Northern counterparts.

**Sept. 22, 2008:** *Radio Pyongyang* reports that U.N. Secretary-General Ban Ki-moon sent congratulations to Kim Jong-il for the DPRK’s 60th anniversary. This is the first time that North Korean media have directly named Ban, a former ROK foreign minister.

**Sept. 25, 2008:** Foreign Minister Yu Myung-hwan says Seoul will take no immediate retaliation in regard to the DPRK’s nuclear recidivism. He warns next day, however, that “the North’s denuclearization has returned to the starting point, back to square one.”

**Sept. 26, 2008:** North Korea unexpectedly proposes working-level inter-Korean military talks four days hence, on Sept. 30. The South suggests Oct. 2 instead; the North accepts.

**Sept. 26, 2008:** The North's Democratic Front for the Reunification of the Fatherland (DFRF) attacks the ROK's decision to create a special panel on DPRK human rights as "a vicious profanity of our dignity and system and another unpardonable provocation."

**Sept. 27, 2008:** Defense Minister Lee Sang-hee tells a forum in Seoul that the DPRK is a grave threat to regional security, as it "maintains a vast military and forward deploys more than 70 percent of its ground forces. It stands ready to mount a surprise attack any time."

**Sept. 27, 2008:** *Chosun Ilbo* reports that the ROK National Police Agency (NPA) is watching 76 pro-DPRK websites overseas: 31 in the US, 19 in Japan, 13 in China, 4 in Germany, and 9 elsewhere. Some cunningly disguise themselves with names like book center, university, bank, *baduk*, Korean music, and so forth.

**Sept. 27, 2008:** Police and intelligence agents raid the Seoul HQ of an NGO, Solidarity for Practice of the South-North Joint Declaration, accused of being pro-North in violation of the National Security Law (NSL). Materials are confiscated, and seven members arrested.

**Sept. 27, 2008:** Foreign Minister Yu reiterates that the South will only "actively pursue economic cooperation with North Korea when the second phase [of nuclear disarmament] is completed in a irreversible way."

**Sept. 29, 2008:** Former WPK secretary Hwang Jang-yop, 85, still the highest level DPRK defector ever, tells Seoul lawmakers that Kim Jong-il's illness is unimportant: "Anyone ... can govern" North Korea, and even "Kim's death will never lead to its collapse." Hwang also calls the disabling of Yongbyon "a fake gesture," since the DPRK has nuclear weapons.

**Sept. 29, 2008:** In Moscow, President Lee and Russian President Dmitry Medvedev agree to link the inter-Korean and trans-Siberian railways, and to build a gas pipeline from Russia to South Korea via North Korea. It is unclear if Pyongyang was consulted about any of this.

**Sept. 29, 2008:** Jin Yeong, a lawmaker of the ROK ruling Grand National Party (GNP), says the Kim Dae-jung and Roh Moo-hyun governments gave or loaned the DPRK Won2.7 and 5.7 trillion respectively (about \$8 billion in total). The 'loan' component, such as rice aid where repayment is nominally due to start from 2010, may well be irrecoverable.

**Sept. 30, 2008:** U.S. Assistant Secretary of State and Chief Delegate to the Six-Party Talks Christopher Hill arrives in Seoul to consult with his ROK counterpart Kim Sook. He goes on to Pyongyang by car next day, via the DMZ.

**Sept. 30, 2008:** *JoongAng Ilbo* says the ROK is negotiating with Mongolia and Thailand to accommodate DPRK refugees – but is failing to persuade China to change its stance of regarding all border-crossers as economic migrants and repatriating them.

**Oct. 1, 2008:** The North Korean website Uriminzokkiri calls Suh Jae-jean, new head of the Korean Institute for National Unification (KINU: South Korea's official think tank on the North,

under the MOU), an “extremely vicious ... anti-DPRK hysteric.” Suh recently told a university forum that dialogue with an “abnormal and wrong regime” like the DPRK is worthless, and that reports that Kim Jong-il is ailing had brought reunification closer.

**Oct. 1, 2008:** In his first public appearance since leaving office in February, ex-President Roh Moo-hyun tells an unofficial meeting in Seoul, ahead of the first anniversary of his summit with Kim Jong-il, that the agreement he signed has been “abandoned ... I hoped it would be thick with leaves and bear fruit one year later, but now the tree is shriveling.”

**Oct. 2, 2008:** The first inter-Korean military talks in eight months – also the first official bilateral North-South dialogue of Lee Myung-bak’s presidency – are held at Panmunjom, but are brief and make little headway. The DPRK called the meeting to protest at ROK NGOs spreading propaganda leaflets across the DMZ. The start is delayed almost an hour when the North demands that media be present throughout; the South protests that this is not usual.

**Oct. 2, 2008:** Some 40 lawmakers of South Korea’s center-left main opposition Democratic Party (DP) visit the Kaesong industrial zone. DP chairman Chung Sye-kyun is photographed being given a flu injection by a North Korean nurse at the complex. Chung calls for talks between the two sides’ parliamentarians as a way to thaw the current inter-Korean ice.

**Oct. 5, 2008:** Lee Jeong-hyun, a lawmaker of South Korea’s ruling Grand National Party, says the Unification Ministry has admitted – having at first denied – that 62 counterfeit US banknotes (all but one \$100 bills) were found circulating at Mt. Kumgang during 2005-07. MOU and Hyundai Asan both profess to believe that Southern tourists brought them in.

**Oct. 5, 2008:** Another GNP lawmaker, Hong Jung-wook, claims there are critical loopholes in ROK contingency planning. Specifically, President Lee was not told about the Kumgang shooting incident for several hours, leaving him no time to amend his Jul. 11 address.

**Oct. 7, 2008:** A multi-faith group of South Korean Christians and Buddhists, led by Ven. Bomnyun of the Buddhist relief group Good Friends, hands Unification Minister Kim Ha-joong a petition with over a million signatures calling for urgent food aid to the North.

**Oct. 7, 2008:** Unification Minister Kim Ha-joong tells the ROK National Assembly that he hopes tourism to Mt. Kumgang can resume “as soon as possible” and at all events in time for the 10<sup>th</sup> anniversary of such tours on Nov. 8.

**Oct. 8, 2008:** Following North Korea’s Oct. 2 complaint, MOU asks Southern civic groups to refrain from sending leaflets across the DMZ by balloon. Two such groups immediately say they will ignore this and go ahead with planned launches.