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North Korea-South Korea Relations: Sunset for Sunshine

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Rarely has the arbitrary time unit of a quarter so neatly framed real events as on the Korean Peninsula these past three months. For South Korea, like all of Pyongyang's other interlocutors, the third quarter of 2006 was topped and tailed by two ominous bookends. It began with, and was dominated by, the seven missiles (including a long-range *Taepodong-2*) which North Korea test-fired on the Fourth of July, U.S. time (locally, early July 5). Inevitably this rude gesture of defiance cast a large shadow, at least partially and temporarily, on the "Sunshine" policy of engagement and outreach that Seoul has pursued for the past nine years. At that stage it was too early to tell whether this was just a temporary hiccup, or marked a lasting sea-change in the balance and thrust of the ROK's *Nordpolitik*.

For reasons hard to fathom, Kim Jong-il chose to settle that question in the negative by ending the quarter with a far graver threat. After weeks of rumors of preparations spotted by spy satellites, on Oct. 3 North Korea for the first time gave notice of its intention to conduct a nuclear test. Still, some analysts hoped that this might be just a sharp negotiating ploy, as arguably the missile tests were: intended to break almost a year's stalemate in the suspended Six-Party Talks and jolt the U.S. and others into concessions on financial sanctions. Less than a week later, such hopes were dashed Oct. 9, when Pyongyang announced, with typical pride, that it had carried out its first nuclear test. Outside opinion seems to agree, though at this writing it is unclear whether it was completely successful. The implications of this are considered at the end of this article.

July's missile launch had put most of the now quite dense network of regular official inter-Korean contacts on ice for late summer and early fall. Seoul struggled to strike a balance between showing its disapproval – and keeping the semblance of a common front with Washington – while seeking to ensure that the overall framework and achievements of Sunshine were not jeopardized. Walking such a tightrope was no easy task, and – as often with the Roh Moo-hyun administration, which now has little more than a year left to run before his successor is elected in December 2007 – some of the specific policy decisions and judgments made thus far appeared questionable.

A bigger splash

Until October's nuclear shock, all other political events on the peninsula in the past quarter were overshadowed by the seven missiles – one long-range *Taepodong-2*, which failed, and six short- to medium-range *Rodongs* and *Scuds*, which did not – that North Korea fired into the East Sea (Sea of Japan) from Musudan-ri on its northeast coast on July 5, local time. In the U.S. it was still the Fourth of July, and a space shuttle was being launched. Kim Jong-il's choice of date was surely no accident.

Unlike the first and only previous *Taepodong* test, which was launched over Japan without warning in August 1998, shock did not entail surprise. The first intelligence reports of a large missile being moved to the Musudan-ri site had come in mid-May. Although much of North Korea's war effort, including missile manufacture, is concealed underground, launching a long-range missile requires a gantry, which cannot be hidden from U.S. and other spy satellites.

Like it's 1999

In mid-June, rumors that the *Taepodong* had been fueled – a process hazardous to reverse – intensified regional and global concern. Many governments and others spoke out, with unusual unanimity. Even China, rarely so explicit, warned against a test. But with counter-reports that the satellite pictures were ambiguous, late June brought speculation that this was a rerun not of 1998, but 1999. (Then too a *Taepodong* was trundled onto its gantry and stayed there for weeks. That led the U.S. administration to start talks on missiles, during which Kim Jong-il declared a moratorium on further long-range tests. The talks nearly led to an agreement, essentially to buy out the program – which North Korea has long said was for sale. President Bill Clinton was ready to go to Pyongyang to sign this, but his term ran out. The incoming Bush administration elected to discontinue these negotiations.)

Once the phoney war was over and the missiles were actually fired, they rapidly exposed familiar faultlines between North Korea's five main interlocutors. The fact that Kim Jong-il went ahead, despite explicit pleas not to from both Seoul and Beijing, was a slap in the face for supporters of engagement and put Roh Moo-hyun in an awkward position. Yet Roh's own perverse reaction hardly helped. When a newly and unusually assertive Japan made much of the initial reactive diplomatic running, drafting a hardline resolution to the UN Security Council (UNSC), some comments from Seoul seemed more concerned to criticize Tokyo for "making a fuss" than to condemn Pyongyang's provocation.

Wrong calls?

In devising its own policy response – which after all it had had several weeks to prepare – South Korea again looked off-balance. The challenge was clear, and admittedly not easy: to show firm disapproval, but also not let this destroy the many and varied links achieved by almost a decade of the Sunshine Policy. Patience in Seoul had already been wearing thin, especially over the North's last-minute cancellation of long-delayed railway test runs in May. With Roh Moo-hyun's ratings plunging, and having explicitly warned that a missile launch would put aid in jeopardy, the South had to do something.

Yet some of the specific policy calls made in Seoul since the missiles looked questionable. South Korea's first, immediate riposte was to rebuff a Northern suggestion, made two days before the missile launch, for a military liaison meeting on July 7. This is a forum that the South is usually keen to promote, but presumably it felt that at this juncture this would send the wrong signal. That logic is not obvious: such a meeting could have been used as a rare and timely chance to read the riot act directly to the Korean People's Army (KPA).

Conversely, were one to cancel anything, the obvious candidate would have been regular inter-Korean ministerial talks, the 19th since the June 2000 Pyongyang summit, due to be held in Busan, South Korea's second city and main port, on July 11-14. After all, North Korea had postponed the last meeting by a month (from March to April) to protest regular U.S.-ROK wargames. In the event Busan went ahead, to no purpose. The North's delegation refused to talk missiles, and left a day early when the South would not discuss food aid.

Yes to business, no to food

The South's more general stance was also peculiar. On July 6, right after the missile tests, unification minister Lee Jong-seok said humanitarian aid to the North will be suspended indefinitely. But business cooperation, like the Kaesong industrial zone and Mt Kumgang tourism, will continue; ostensibly because this is a private rather than state initiative. This again is questionable, on both counts. Normal international practice is to exempt food aid from any punitive measures; while the Kaesong and Kumgang ventures, though nominally led by Hyundai, are in fact key tools of official policy that depend on state subvention.

Moreover, the profits from these two border special zones go straight to the DPRK state and elites, so suspending these could have hit Kim Jong-il's pocket. (The Dear Leader called at Kumgangsan in September en route to one of his regular frontline military trips, but did not visit any of Hyundai's facilities while there; nor did the official news agency *KCNA* deign to mention, much less thank, the South for financing and developing this resort.) By contrast, despite concerns over diversion, at least some rice feeds North Korea's hungry.

Nature strikes again

Concretely, when the missiles flew South Korea had just finished shipping 350,000 tons of fertilizer, but amid already cooling relations had not yet agreed to the North's request for the usual 500,000 tons of rice. As of early October that remains the case, but Seoul's wider refusal of food aid predictably soon crumpled after nature inflicted what seems its annual misery on North Korea. In mid-July, Typhoon Ewiniar caused flooding that left at

least 154 dead and 127 missing, according to the UN. Good Friends, a South Korean Buddhist NGO that assists Northern refugees, alleged a disaster "of biblical proportions," as *Time* puts it: with 54,700 dead (many due to landslides); 2.5 million – over 10 percent of the population – rendered homeless, and wide destruction of crops in major rice-growing areas. Even if those figures exaggerate, this is a harsh blow to a country already barely and minimally coping as regards food, yet which this year has spurned aid, expelling foreign NGOs, and forcing the UN World Food Programme (WFP) to curtail operations that once fed up to 6 million North Koreans.

Facing pressure at home from public opinion to help their Northern brethren, the ROK first on Aug. 11 allocated \$10.5 million to support local NGOs that had already stepped into the breach. Then on Aug. 20, Seoul announced much larger-scale official support, to be channeled via the Red Cross: some 100,000 tons of rice and the same weight of cement, along with iron rods, excavators, and trucks, plus blankets and medical kits. All this is worth over \$200 million; it would cost less than half that if foreign rice were bought, but – as the ROK Unification Ministry (MOU) frankly admitted – because of a local rice surplus South Korea will send its own rice, at five times the price. As in the U.S., food aid is in practice inseparable from the political economy of farm support.

In an immediate reaction to October's nuclear shock, Seoul suspended even this emergency aid. Politically it will now be very difficult to resume this in the foreseeable future.

Washington tightens the noose

The financial squeeze which the U.S. has pursued since last autumn appears to be both biting and spreading, with Vietnam its latest focus. According to the *Financial Times* on Aug. 23, a visit to Hanoi in July by Stuart Levey, who as U.S. undersecretary for terrorism and financial intelligence is overseeing this drive, led to the closing of several DPRK accounts there. A leaked Japanese joint intelligence report, cited by *Bloomberg*, claims that since U.S. pressure forced the Macau-based Banco Delta Asia to freeze all DPRK accounts a year ago, North Korea has established new links with 23 banks in 10 countries – including Mongolia and Russia, said to be among the few nations left where North Korea can still bank.

Levey's itinerary also took in Japan, Singapore, and South Korea. While Seoul had earlier expressed dismay that this U.S. pressure has stymied the Six-Party Talks, this time the ROK foreign ministry (MOFAT) echoed Washington's stern note, saying it "has serious concerns about North Korea's illicit activities, including counterfeiting," and urging Pyongyang to "take steps to quell such worries in order to become a member of the international society." Even so, Levey's line that "the U.S. continues to encourage financial institutions to carefully assess the risk of holding *any* North Korea-related accounts" (emphasis added) makes this a very blunt instrument: hitting legitimate trade and joint ventures as much as, indeed maybe more than, the dodgy stuff – which will always find ways of going underground.

China chafes

Although not confirmed by Beijing, China (beyond Macau) is also said to have joined the financial crackdown, with the state-owned Bank of China (BoC) freezing or closing DPRK accounts. Reports from northeastern China claim that border trade has been curtailed, and that some North Koreans working without permits in China – as distinct from refugees – have been deported. In July, three refugees who had taken sanctuary in the U.S. consulate in Shenyang were allowed to fly direct to the U.S., most unusual.

Yet while China must protect itself financially, and may vent irritation with Kim Jong-il in small ways, there is no sign of any large-scale sanctions or squeeze. At a time when North Korea's capital needs and partial opening are creating great opportunities for Chinese firms, and thereby also building leverage for Beijing in Pyongyang, it would be self-defeating if China were to overreact to the missile launch. Its nuclear test may be a different matter.

Is Ban the man?

Under a darkening sky, one possible ray of hope was the election of South Korea's foreign minister, Ban Ki-moon, to succeed Kofi Annan from Jan. 1 as the UN's next secretary general. Even before his formal appointment, Ban pledged to make North Korea a priority and to seek an early visit to Pyongyang, pointing out that Annan had not done so in a decade. Yet his being Korean is not necessarily an asset, given the North's lingering suspicions of the South even while it grabs Sunshine's gifts, and especially if ties now worsen. In any case the DPRK is cross with the UN over the UNSC's unanimous condemnation on July 15 of its missile tests; it called the resolution (1695) "brigandish," and will be even angrier with whatever further nuclear condemnation must now follow. Nor has it forgotten, or forgiven, that in the 1950-53 Korean War the UN was the enemy.

Refugee raid in Bangkok

Elsewhere, refugees from North Korea returned to the headlines in August. A police raid in Bangkok on Aug. 22 arrested no fewer than 175, all staying in a two-storey house; their numbers, unsurprisingly, drew attention. Eighty percent were women, as is ever more the trend. Such fugitives must still make a long trek across a hostile China to find sanctuary in a third country, often aided by South Korean missionaries, as here. Despite this raid, Thailand is friendlier than other destinations like Vietnam and Laos, which as fellow communist states have hitherto been more heedful of their ties with the DPRK. Sixteen of those arrested already had papers from the UN High Commissioner for Refugees (UNHCR), and with two others were swiftly flown to Seoul. It was expected that the rest would follow, after a short spell in jail while UNHCR and the ROK government processed them. The numbers are growing, with 400 North Koreans turning up in Thailand alone so far this year. Some 1,054 reached the South in the first seven months of 2006: 59 percent more than in the same period last year, whose total was down from 2004. These are still tiny figures compared to the former two Germanys, or most other global refugee flows. All governments, in Beijing and Seoul no less than Pyongyang, are fearful lest this trickle should swell into a mighty flood. North Korea suspended most contacts with the South for almost a year after 468 defectors were flown out of Ho Chi Minh City to Seoul (at Vietnamese insistence) in July 2004, even though the ROK did its best to keep this airlift low-key. This time, post-missiles and nukes, the South may prove less deferential to Northern sensitivities.

A new point man needed on the South

Rim Tong-ok, North Korea's point man on the South, died on Aug. 20 aged 70. As director of the United Front Department (UFD) of the ruling Workers' Party of Korea (WPK), and vice chairman of the Committee for the Peaceful Reunification of the Fatherland (CPRF), Rim oversaw ties with South Korea, his field since the early 1970s. As such he was well known in Seoul, where the government sent condolences to Pyongyang, angering some. "Seoul Condoles N. Korea on Death of Spymaster" was the headline in the rightwing daily *Chosun Ilbo*. This was the South's second such gesture, the first being on the death last year of the North's ex-premier, Yon Hyong-muk. One imagines there will be no more for the time being.

Speculation began at once in Seoul on who would succeed Rim. Most money is on one of the UFD's two vice directors: Ri Jong-hyok, an urbane ex-diplomat, and Choe Sung-chol, a rising star. Also in the frame is CPRF vice chairman An Kyong-ho, notorious for warning that if the South's opposition Grand National Party (GNP) comes to power – as it may well do in 2008 – Korea will be "enveloped in the flames of war." Or Kim Jong-il may pick one of his own cronies, as is increasingly his wont; some analysts attribute his missile test gaffe – and *a fortiori*, the nuclear test – to the Dear Leader being surrounded by yes-men, who echo rather than question his judgment. Also cited is Kim's brother-in-law Jang Song-thaek, purged in 2003 but reinstated earlier this year, but he is said to have been injured in a car crash in late September. None of this may happen quickly: Rim only got the job two years after the death of his predecessor, former KWP international secretary Kim Yong-sun.

A new approach?

Though all water under the bridge now, for the record a desultory search for a way out of the present impasse continued. The usual talking up of prospects – such as an unspecified new "common and broad" approach, said to have been agreed when George Bush and Roh Moo-hyun met (very briefly) in Washington Sept. 14 – may just be whistling to keep spirits up. Although the U.S. and South Korean presidents manage to paper over the cracks, their respective preferences for stick and carrot were well known.

Yet something might have been afoot. Roh, loose-tongued as ever, said Sept. 28 that the new approach was put to North Korea before he discussed it with Bush. A day later China's top delegate to the Six-Party Talks, Wu Dawei, said in Seoul that Beijing supports it. What no one would spell out is what this magic formula consists of. That is not necessarily a bad sign. A certain public vagueness may mean the nitty gritty is being argued behind the scenes, a better bet than publicly parading specific non-negotiable incompatible demands, as has too often occurred in the past. Just possibly, all parties realize they have collectively dug themselves into a hole that benefits no one, and are ready to compromise. But how? – and all the more so now, after the nuclear test.

Further straws in the wind include hints by the U.S. ambassador in Seoul, Alexander Vershbow, hitherto seen as a hardliner, that bilateral U.S.-DPRK talks might be possible (albeit within the six-party format). Vershbow also said that his predecessor Christopher Hill, well liked in his brief sojourn in Seoul before he was promoted to assistant secretary of state to head the U.S. delegation to the Six-Party Talks, could be willing to visit Pyongyang.

Seoul suspends Kaesong applications

Post-missiles but pre-nuke, South Korea remained reluctant to paint the North into a corner completely, yet could hardly fail to react. Thus, on Sept. 21, Unification Minister Lee Jong-seok said Seoul is suspending applications from local SMEs to set up in the Kaesong Industrial Zone, just across the Demilitarized Zone (DMZ) inside North Korea. Yet he insisted that "the general development of the Kaesong complex is continuing," and that the applications process will resume "when market conditions are most appropriate."

Market conditions hardly seem the point. While only 15 ROK firms are operating in the zone so far, interest had hitherto been keen, but the fear was that the missile tests would scare off applicants. Yet the Bush administration dislikes Kaesong, and is firmly resisting Seoul's vigorous efforts to have its products included in the bilateral free trade agreement (FTA) which the two nations are currently seeking to negotiate – in any case a long shot politically, given strong public opposition in South Korea. In view of its timing, a week after Roh Moo-hyun met Bush, this suspension looks like a gesture to please Washington. October's nuclear test now puts the whole project at risk, especially if the outcome is UN-mandated economic sanctions.

A Chinese satellite?

All analysis of North Korea, as anywhere, needs to contemplate the longer term as well as immediacies. The cover story in October's issue of the U.S. magazine *Atlantic Monthly* was a long article by Robert Kaplan, provocatively titled "When North Korea Falls." If rather one-sidedly reflecting the view of U.S. Forces in Korea (USFK), this performed a service in thinking the unthinkable on several fronts. Most striking was his suggestion that "China's infrastructure investments are already laying the groundwork for a Tibet-like buffer state in much of North Korea, to be ruled indirectly through Beijing's

Korean cronies once the KFR [Kim family regime] unravels." Kaplan suggests that the U.S. and even South Korea might go along with this, if only because the alternative of either of them trying to run a post-Kim North Korea (vide Iraq) threatens to be riskier and costlier than letting China carry the can.

A royal niece takes her life in Paris

Mid-September brought a rare and tragic fresh glimpse of North Korea's royal family, with reports that Kim Jong-il's niece had killed herself in Paris in August. Jang Keumsong, 29, was the sole birth child of Kim Jong-il's brother-in-law and confidant Jang Song-thaek, a first vice director in the ruling Workers Party of Korea (WPK), and the Dear Leader's only sister Kim Kyong-hui, herself director of the WPK's light industry department.

Said to be tall and beautiful (and not to have told her friends she was North Korean), Ms. Jang was studying in Paris, evidently in some style; her body was found in her villa by her maid and chauffeur. She had taken an overdose of sleeping pills. Press speculation – none of this has been announced or confirmed, needless to say – is that she had been ordered to return to Pyongyang, where she had a suitor whom her parents rejected because of his bad ideological background. In North Korea's contorted demonology, that means some of his family members may have been landlords, Christians, victims of successive purges, living in South Korea, returnees from Japan, or a long litany of similar supposed sins.

Echoes and repetitions

If true, this is ironic in that North Korea's founding leader Kim Il-sung opposed Jang Song-thaek's marriage to his daughter on similar grounds. Jang was exiled for a while to the east coast city of Wonsan, before the Great Leader relented and permitted them to wed in 1972. (Rumor has it that they are now separated, and that Kim Kyong-hui has a drink problem.)

This also echoed a parallel recent tragedy for South Korea's quasi-royalty. Last November, Lee Yoon-hyung, 26, youngest daughter of Lee Kun-hee – chairman of the Samsung group, Korea's biggest conglomerate, and the country's richest man – hanged herself in New York where she was studying. Here again the cause was said to be parental opposition to the man she loved: Shin Soo-bin, who found her body. Public sympathy was strained by Samsung's initial clumsy attempts to hush up the suicide and claim she had died in a car accident.

While Jang Keum-song's death has no known direct political overtones, in Pyongyang the personal is political. Her father, long the Dear Leader's righthand man, fell from grace in 2003 and was not seen for two years before re-emerging early this year in what appeared a slightly lower rank – soon belied by his following his brother-in-law in making a high-level but low-profile visit to China in March. One alleged reason for Jang Song-taek's purge was his pushing his adopted son Kim Jang-hyun – in fact a natural son

of Kim Il-sung with one of his nurses – as a potential successor to Kim Jong-il. In North Korea's neo-patriarchy, princesses seem to have no claim, even though the Dear Leader's daughter Kim Sol-song is reportedly an able economist who accompanies her father on some of his workplace visits.

All is revealed

North Korea's obsessive secretiveness is indefensible in more than one sense; it is no match for spy satellites. No longer restricted to the professional intelligence community, detailed views of everything from Kim Jong-il's palaces to his prison camps, not to mention missile batteries and nuclear sites, are now available – free, at present – to anyone with broadband internet access, courtesy of Google Earth (earth.google.com). Writing on Aug. 29, Sonni Efron of the *Los Angeles Times* commented that this was far more revealing than anything she was ever allowed to see as a visiting reporter. Already viewers are debating landmarks of interest. One has identified no fewer than 332 mainly military sites, including artillery along the Demilitarized Zone and the vast network of air defenses ringing Pyongyang.

Efron also noted a stark visual contrast: "Click on down into South Korea and the barren, deforested mountaintops give way to lush forests, the dusty valleys to emerald rice fields, the surface-to-air missiles to factories, houses and cars.... Kim may rule in secret and hide nuclear secrets underground, but the shameful nature of his regime is on global display."

Two lighter moments

Other than the regime's endlessly risible self-presentation, humor on North Korea tends to be in short supply. Last month was lightened by two exceptions. On Sept. 25, Seoul dailies headlined a claim by Kang Sok-ju, North Korea's senior vice foreign minister and long-time chief nuclear negotiator, that Pyongyang has at least five nuclear weapons. Their source was an article on the Nautilus.org website, a key forum of debate on North Korea, by Robert Carlin, a former chief of the Northeast Asia section in the U.S. State Department.

Carlin's title, "Wabbit in Free Fall," plus sundry other clues, made it abundantly clear that what purported to be a speech by Kang was in fact a spoof; indeed, a clever and poignant lament for those on both sides who spent years building bridges between Washington and Pyongyang, only to see all their efforts ruined by hardline colleagues. (It follows a similar exercise by Erich Weingartner of the Canadian clipping service *CanKor*, imagining how a senior North Korean aid official might strive to make sense of the famine and the ups and downs of his government's dealings with an outside world that it barely understands.)

Six hours passed before the South Korean media twigged, issuing red-faced retractions and apologies. Soul-searching and self-criticism followed, for not only literal-mindedness but sheer laziness and haste in simply reproducing the story without checking it out first.

Wordplay as a weapon

North Koreans themselves have precious little to laugh about. While communism elsewhere – especially in Eastern Europe – generated a rich vein of wry humor, North Koreans are often deemed too cowed or brainwashed to do likewise. Yet a recent issue (no. 38) of *North Korea Today* – a well-informed newsletter from the South Korean Buddhist NGO Good Friends – reports some ironic punning on who really does what in North Korea. Wordplay has the Democratic Women's Union (DWU) as 'Running', the Socialist Working Youth League (SWYL) 'Standing', and the ruling Workers Party of Korea (WPK) 'Sitting.' That is, the party just sits around, young male officials of the SWYL stand and out bark orders – and the women do all the work. Good Friends adds that "it is no exaggeration to say that the North Korean economy is run by women." It is good to know they have the last laugh.

From Sunshine to sunset

Though early days yet, in the immediate aftermath of October's nuclear test it is hard to see this as anything other than marking the end of an era in inter-Korean relations. It is sunset for Sunshine. That does not mean engagement will cease altogether, or if suspended that it will not resume in some form – and continue even if the GNP forms the next government.

But it will be different now, and rightly so. Both from a policy and political viewpoint, it must surely now be acknowledged that the sound of one hand giving was the wrong way to go, and cannot continue. Even if a loss-leader approach was arguably necessary initially to build confidence, it is now discredited. Future North-South dialogue must be less one-sided and asymmetrical, insisting rather on conditionality and reciprocity. October's nuclear test shows the North's cold-eyed contempt for the South's self-deluding efforts and generosity. With elections approaching – presidential in December 2007, then legislative in April 2008 – there will be no votes now in South Korea for being nice to a nuclear North.

A new stage was in any case on the cards from early 2008, if the conservative opposition Grand National Party (GNP) wins back the presidency. Currently the GNP is far ahead in opinion polls, and the election looks theirs to lose. But they did exactly that last time, in 2002, and 14 months is a long time in South Korea's ever-swirling political scene. The nuclear shock has just given the GNP a massive electoral boost, which seems perverse in the extreme: Pyongyang media routinely excoriate the GNP as traitors and U.S. flunkeys.

Just conceivably, after the present shock has died down (albeit leaving both the local and global situations permanently changed for the worse), fresh twists may prove possible. Not only is there little practical choice for others save to glumly accept the DPRK's nuclear fait accompli, but – clutching at straws – it is just possible that this new status may give Kim Jong-il fresh confidence in his impregnability, such that he might dare to take more risks in negotiating on other fronts. Yet how others could respond, without seeming to reward him for what China rightly and sharply termed "brazen" behavior, is a

crux that will trouble all North Korea's interlocutors. Hopefully henceforth they will prove less divided on how to deal with this uniquely obdurate regime, which has now taken its longstanding and fateful doctrine of jawi – self-reliance in defense, independent of friend and foe alike – to its grim logical conclusion.

Chronology of North Korea-South Korea Relations July-September 2006*

July 1, 2006: North Korea bans South Koreans from visiting the historic city of Kaesong. Hitherto there had been trial tours, plus side-trips for those visiting the nearby Kaesong Industrial Complex (KIC). Pyongyang still wants to replace Hyundai Asan, which has the contract for Kaesong tours, with a new partner, Lotte.

July 5, 2006: North Korea launches seven missiles into the Sea of Japan, provoking a firestorm of international condemnation.

July 6, 2006: After the missiles tests, South Korean Unification Minister Lee says humanitarian aid to the North will be suspended indefinitely.

July 6, 2006: Facing criticism that Seoul had been too sanguine about the prospect of a North Korean missile test, a Blue House spokesman admitted "some differences regarding the degree of caution in making a judgement" compared to Washington and Tokyo.

July 7, 2006: The South cancels a planned inter-Korean military liaison contact in protest at the North's missile tests. Pyongyang had proposed the meeting on July 3.

July 9, 2006: Seoul's comments on the Japanese draft of UNSC resolution condemning North Korea's missile tests criticize Tokyo for "making a fuss" rather than condemn Pyongyang for its provocation.

July 11, 2006: ROK President Roh reportedly calls North Korea's missile tests "a political act demanding American concessions," and likens U.S. financial sanctions against Pyongyang to the premodern practice of beheading a criminal before sending his case to the king. He also says that Japan "ended up helping North Korea" fire its missiles, blaming Tokyo for "making noise" on the issue instead of "stay[ing] composed."

July 12, 2006: South Korea lodges a strong complaint against North Korea for firing *Scud* missiles that could reach any area of South Korea and urges it to return to the Six-Party Talks.

July 12-13, 2006: The 19th Inter-Korean Ministerial talks held in Busan, South Korea.

^{*} Chronology compiled with assistance from Junbeom Pyon and Qinghong Wang, 2006 Vasey Fellows, Pacific Forum CSIS

July 13, 2006: Opinion poll shows the number of South Koreans who say the ROK should support U.S. policy toward North Korea has risen from 20 percent in 2002 to 37 percent, while support for increased Southern aid to the North has narrowed from 59 percent to 54 percent.

July 14-16, 2006: Typhoon Ewiniar batters North Korea, causing severe damage.

July 15, 2006: UN Security Council adopts resolution 1695. The PRC signs on to a compromise resolution that condemns North Korea's missile tests, but does not include Chapter 7 language originally endorsed by Tokyo.

July 16, 2006: DPRK Foreign Ministry calls UNSCR 1695 "brigandish."

July 16, 2006: ROK military source says an Army missile defense command will be formed later this year to counter threats from missiles and long-range artillery.

July 18, 2006: ROK government reaffirms plan, first decided in January, to enact a law to assist post-1953 abductees to North Korea; not only from a humanitarian viewpoint, but also in terms of the state's duty to protect its citizens. It will not cover the much larger numbers taken North during the 1950-53 Korean War, nor earlier victims.

July 19, 2006: ROK President Roh Moo-hyun calls Pyongyang's missile tests "wrong behavior" that increased regional tensions, but warns against over-reacting to them.

July 19, 2006: North Korea notifies South Korea that it would stop inter-Korean family reunions in response to the ROK halt of humanitarian aid.

July 21, 2006: North Korea notifies the South that it is withdrawing personnel from the Office of Inter-Korean Economic Cooperation (OIKEC) in Kaesong, meaning it can no longer operate as a venue for working-level consultations. Staff from the North's National Economic Cooperation Federation will remain to facilitate joint ventures.

July 25, 2006: President Roh objects to U.S. hardline policy of "strangling" North Korea.

July 28, 2006: South Korea, China, Japan, Russia, the U.S., Australia, Canada, Indonesia, Malaysia, and New Zealand hold 5+5 Talks in Kuala Lumpur to discuss North Korea as well as other broader regional security concerns.

July 28, 2006: At a regular meeting of the Inter-Korean Economic Cooperation Promotion Committee in Kaesong, the North's chief delegate, Ju Dong-chan, calls for projects like the KIC to continue "regardless of international conditions."

July 31, 2006: North and South Korean soldiers exchange limited rifle fire at the DMZ.

July 31, 2006: The North cancels joint Liberation Day celebrations in Pyongyang planned for Aug. 15, citing flood damage as the reason. Seoul says it believes this.

Aug. 7, 2006: *Choson Sinbo*, a pro-DPRK daily published in Tokyo, reports official tally of July's flood toll: 549 dead, 295 missing and 3,043 injured. An ROK Buddhist NGO, Good Friends, claims casualties and damage were far worse: 54,700 dead (many due to landslides); 2.5 million – over 10 percent of the population – rendered homeless; and wide destruction of crops in major rice-growing areas.

Aug. 8, 2006: South Korea's ruling Uri party proposes all-party meeting on flood aid to the North. Despite July's missile tests, pressure for aid grows, with even the conservative opposition Grand National Party (GNP) calling on Seoul to assist Pyongyang.

Aug. 11, 2006: ROK allocates \$10.5 million for local NGOs assisting in the North.

Aug. 17, 2006: ROK FM Ban Ki-moon says it is deplorable that the DPRK is more than ever opting for isolation, and that "it is hard to say the prospects are bright."

Aug. 19, 2006: After the North accepts a Southern proposal on Aug. 14 to meet, the two Koreas hold working-level Red Cross talks on flood aid at Mt. Kumgang. The North had originally rebuffed Southern and other offers of help.

Aug. 20, 2006: Seoul announces larger-scale official support, to be channeled via the Red Cross: some 100,000 tons of rice and the same weight of cement, along with iron rods, excavators, and trucks, plus blankets and medical kits.

Aug. 20, 2006: Rim Tong-ok, North Korea's point man on the South, dies at 70.

Aug. 21-Sept. 1, 2006: U.S. and South Korea hold *Ulchi Focus Lens* exercises across the Korean Peninsula.

Aug. 22, 2006: North Korea threatens to quit armistice that ended the Korean War over the *Ulchi Focus Lens* exercise and considers the exercise an "act of war."

Aug. 22, 2006: Police raid in Bangkok nets 175 North Korean refugees.

Aug.22, 2006: ROK Foreign Ministry says it "has serious concerns about North Korea's illicit activities, including counterfeiting," and urging Pyongyang to "take steps to quell such worries in order to become a member of the international society."

Aug. 24, 2006: Eighteen North Korean refugees arrested in Thailand are flown to Seoul.

Aug. 26, 2006: Japan's *Kyodo News* reports that Kim Jong-il has called China and Russia "unreliable" and that North Korea should overcome the international standoff over its nuclear and missile programs on its own.

Aug. 29, 2006: The Kaesong Industrial Complex Management Committee (KICMC) agrees simplified entry and exit procedures with the North's immigration office.

Sept. 1, 2006: Ban Ki-moon tells reporters that Seoul is reviewing an action plan in the case of a possible North Korean nuclear test.

Sept. 7, 2006: ROK Unification Minister Lee Jong-seok says that if Kim Jong-il were to visit China that it would be a "highly positive" move.

Sep. 7, 2006: Unification Minister Lee says that despite a "lull" in inter-Korean talks, the Kaesong Industrial Complex, Mt. Kumgang tour, economic cooperation, social-cultural exchanges, and inter-military communications are operating normally.

Sept. 14, 2006: Presidents Bush and Roh hold a summit meeting in Washington.

Sep. 14, 2006: *KCNA* reports that Kim Jong-il provided field guidance at Mt. Kumgang, en route to inspecting front-line military positions.

Sept. 15, 2006: Media reports that Jang Keum-Song, Kim Jong-Il's niece, committed suicide in Paris in August.

Sept. 21, 2006: U.S. Ambassador to Korea Alexander Vershbow tells *Yonhap News* that Assistant Secretary Hill could visit Pyongyang if the DPRK returns to the table.

Sept. 21, 2006: Unification Minister Lee announces that Seoul is suspending applications from local SMEs to set up in the Kaesong Industrial Zone.

Sept. 21, 2006: Robert Carlin, former chief U.S. diplomat, writes article emulating DPRK First Vice Foreign Minister Kang Sok Ju to a meeting of North Korean diplomats.

Sept. 25, 2006: Seoul dailies print claim by Kang Seok-ju, North Korea's senior vice foreign minister and long-time chief nuclear negotiator, that Pyongyang has at least five nuclear weapons.

Sept. 28, 2006: President Roh announces that new approach was put to North Korea prior to the Bush-Roh summit.

Sept. 29, 2006: China's top delegate to the Six-Party Talks, Wu Dawei, says in Seoul that Beijing supports President Roh's new approach.

Sep. 29, 2006: The first products are shipped from the main Kaesong complex: 40,000 pieces of underwear, worth 200 million won, made by Kaeseong Cotton Club whose factory was completed on Aug. 20. Quality is said to be better than Chinese products.

Oct. 3, 2006: North Korea announces that it would conduct a nuclear test at an unspecified future date.

Oct. 6, 2006: U.N. Security Council issues unanimous statement that a nuclear test would "jeopardize peace, stability and security in the region and beyond."

Oct. 6, 2006: On the eve of election as UN secretary general, South Korea's FM, Ban pledges to make North Korea a priority and to seek an early visit to Pyongyang, which Annan has not done in a decade.

Oct. 9, 2006: North Korea announces that it has successfully completed an underground nuclear test. Seoul suspends emergency aid to North Korea due to the nuclear test.

Oct. 9, 2006: South Korea's FM Ban is confirmed as next UN secretary general. He will succeed Kofi Annan Jan. 1, 2007.