

Comparative Connections

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North Korea-South Korea Relations: Things Can Only Get Better?

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The final three months of 2008 saw relations between the two Koreas continue to worsen, as they had since South Korean voters in December 2007 elected the conservative Lee Myung-bak as their next president, ending a decade of rule by liberals. Official ties remained frozen as Pyongyang media continued to heap childish insults on Lee. Upping the ante from words to deeds, but also shooting itself in the foot, from December the North placed restrictions on cross-border traffic and expelled most Southerners from the joint Kaesong Industrial Complex (KIC), just north of the Demilitarized Zone (DMZ). But the end of the year brought a possible way forward, with hints from both sides that they are considering a deal where the South would pay for the release of abductees and prisoners of war held by the North. It remains to be seen whether this will fly or how soon the two Koreas can tone down the enmity stoked over the past year. Meanwhile, nongovernmental interaction continues, albeit on a far smaller scale than during the former “Sunshine” policy.

Military talks get nowhere

Amid the general freeze, the sole official contact between the two Koreas was in military talks held at Panmunjom. The first such talks in eight months – also the first official bilateral North-South dialogue of Lee Myung-bak’s presidency – took place on Oct. 2, but were brief and made little headway. The DPRK called the meeting to protest ROK NGOs spreading propaganda leaflets across the DMZ, as discussed below. It called a second meeting three weeks later on Oct. 27, warning that the joint Kaesong Industrial Complex (KIC) could be suspended if the leafleting continued. The Korean Peoples Army (KPA) also demanded that the South repair military hotlines, which have been out of action since May, and provide modern military communications equipment. The ROK had agreed to do this last year, but the project has not been implemented because of rising tension.

The North threatens Kaesong

Some in Seoul discounted the threat to the KIC, reckoning Pyongyang would not act against its own interests. The zone has continued to expand – as of late December, over 90 ROK firms employed about 38,000 DPRK workers there. On Nov. 6, the KIC received an unprecedented and unannounced KPA inspection, led by Gen. Kim Yong-chol, chief DPRK delegate to inter-Korean military talks and policy chief of the National Defense Commission (NDC) – the North’s highest executive body, which outranks the Cabinet. The uniformed KPA team brusquely asked several Southern firms how long it would take them to pack up and leave.

Less than a week later on Nov. 12, the KPA warned that, effective Dec. 1, it would “strictly restrict and cut off” traffic crossing the DMZ. Separately, the DPRK Red Cross said it would close a liaison office in the truce village of Panmunjom and withdraw its representatives there, while also severing cross-border telephone channels with its ROK counterparts. The Unification Ministry (MOU) responded the next day that the South will deal calmly with these threats, and urged the North to resume dialogue. It added that inter-Korean hot lines for maritime affairs and aviation liaison at Panmunjom were still working, and once more pleaded with the leafleteers to desist. That plea was ignored and the North kept its word. On Nov. 24, Gen. Kim Yong-chol announced border restrictions to take effect on Dec. 1. There were four main measures:

- trans-DMZ trains will be “disallowed”;
- tourism to Kaesong city will be “totally suspended”;
- Southern staff will be “selectively expelled” from both Kaesong and Kumgang; and
- border opening will be subject to “more strict order and discipline.”

The following week saw each side further specify and implement these steps. Hyundai Asan was told on Nov. 26 to halve the 192 caretaker staff it has kept at Mt. Kumgang. On Nov. 30 the North confirmed that next day cross-border rail services and day tourist trips by road to Kaesong city must both cease, while the opening of border gates to the Kaesong zone would be cut from 19 times daily to three. Worse than expected was news that the number of South Koreans allowed to remain in the KIC would be slashed from 4,200 to 880. The South had hoped 1,600 could stay, regarding this as the minimum needed to maintain operations. Those who remained would also no longer have access to Southern newspapers. Next day the squeeze was implemented on cue, with 56 South Koreans denied entry. Seoul protested and urged Pyongyang to retract the new measures.

Carefully calibrated

Contra some loose foreign press headlines about sealing the border, the North’s actions were – as quite often – more calculated and calibrated than its rhetoric. Thus the rail ban makes no real difference: hardly any trains ran anyway, as they only go under a mile across the border – not even as far as the KIC, whose firms shunned them preferring to use road transport. Restrictions on numbers and entry are a nuisance, but not such as to jeopardize the KIC’s operation. So far Pyongyang does not want to kill the goose that lays the golden eggs, though some fear it may yet do just that, reckoning that the political risk of over 100,000 Kaesong residents (workers and their families) becoming a poster for the South’s superiority outweighs financial gain.

No more tours

The suspension of day trips from Seoul to Kaesong city is regrettable, as it means that for the first time in 10 years there is no regular South-North tourism. The Mt. Kumgang zone, which 1.9 million South Koreans had visited in the past decade, remains in limbo, with tours still suspended by the South half a year after the July 11 shooting incident (discussed in our last issue). The 10th anniversary of Kumgang tourism on Nov. 18 was thus less than festive. Hyundai Asan, which runs the resort, has lost about \$100 million since the closure.

With Kumgang shuttered, the far newer Kaesong day trips – also a Hyundai Asan monopoly – which only began in December 2007 but by October 2008 notched up their 100,000th visitor, were the sole inter-Korean tourist link still operating. Less artificial than either the Kumgang enclave or the eponymous Kaesong industrial zone, each day these brought prosperous South and impoverished North into direct contact, if only through tour-bus windows. In Pyongyang there must be relief at no longer having their noses rubbed in this galling daily reminder for both Koreas as to which side has flourished, and which has withered and shrivelled.

Leaflet row balloons

Besides the border restrictions, and related to them, the past quarter's other big inter-Korean story was the regular launching of propaganda leaflets by balloon into the North. In the past, both governments routinely did this, but after the June 2000 summit they agreed to desist from hostile propaganda against one another. Into the breach have stepped an assortment of Southern NGOs – variously conservatives, Christians, defectors, or all three – who despite official disapproval in Seoul have mounted a continuing campaign using helium balloons.

Pyongyang is furious and small wonder. The leaflets pull no punches: revealing Kim Jong-il's recent illness, marital history and luxurious lifestyle; saying who really invaded whom in 1950 (the North still claims the South attacked first); and critiquing the DPRK's economic failures. All this, of course, is totally taboo in what passes for a press in Pyongyang. North Koreans have not been told that Kim was ill, while his family complexities are unknown to most. Not even private discussion of the succession is permitted.

Unschooling as it is in the ways of a free society, the DPRK may conceivably believe its own angry claims that the leafleteers have Lee Myung-bak's blessing. Not so – they are freelancers, and Seoul too is vexed at the spanner they are putting in the works. (So are Southern fellow-travelers of the North, who in December physically attacked a leaflet launch. Even among those less *parti pris*, the balloons are controversial; critics claim they are counter-productive.)

At the start of the quarter, after the North's Oct. 2 complaint (see above), Ministry of Unification (MOU) asked the leafleteers to stop. Two groups promptly refused, and on Oct. 10 Fighters for a Free North Korea (FFNK) marked the founding anniversary of the DPRK's ruling Workers Party of Korea (WPK) with a leaflet launch. A fortnight later, on Oct. 26, Southern firms with plants in the Kaesong special zone (KIC) for the second time issued their own appeal for the leaflet launches to cease, saying they are worsening inter-Korean ties and scaring away investors.

Undeterred, an association of abductees' families said it would press on with a scheduled launch the next day of leaflets naming persons abducted to the North. Thus the pattern continued into November. On Nov. 24 FFNK, the chief leafleteers, declared a three-month moratorium, only to rescind it the next day in riposte to the North's new border restrictions. The latter were duly imposed, but the balloons continued. In the latest twist, FFNK said on Jan. 8 that it will henceforth send DPRK rather than U.S. currency with its leaflets, as North Koreans found with dollar bills risk arrest.

Money for new rope: first major Southern joint venture opens in Pyongyang

Despite bad inter-governmental relations, late October saw the opening of a joint business venture – not in the Kaesong zone, but in Pyongyang. On Oct. 29 a chartered plane flew a 254-strong delegation to the Northern capital, where next day they witnessed the inauguration of Pyongyang Hemp Textiles. PHT is a 50-50 joint venture of the South's Andong Hemp Textiles (AHT) and the North's Saebiyol General Trading Co. Each has invested \$15 million.

Their new venture employs 1,000 North Koreans on a 47,000 square meter site. It took three years from concept to opening: wheels grind slowly in Pyongyang, with a further two month delay owing to the official inter-Korean chill. In that spirit, the DPRK refused entry to two lawmakers of the ROK's ruling Grand National Party (GNP). But it let in a third, Kim Gwang-lim, who had handled North-South economic talks as vice minister of finance and economy under the previous liberal government led by President Roh Moo-hyun (2003-08).

A Catholic connection

As so often, business is not the sole business. Just as Pyonghwa, the pioneer ROK company in the North (*inter alia* assembling Fiats from kits in Nampo, marketing them as Huiparam), is a venture by the Unification Church, so PHT has a distinct Roman Catholic tinge. Lazzaro You Heung-sik, the Catholic bishop of Taejeon, presided at the opening ceremony and also celebrated Mass at Pyongyang's Changchung Church, the only Catholic place of worship in the DPRK. With him were some 50 South Korean Catholics, including eight priests and four friars, but none from the North, which claims to have 3,000 believers even though this and all other churches were savagely persecuted in the DPRK's early years in the late 1940s. A message of support also came from South Korea's only Roman Catholic former president so far, cited by one church source in Korean Catholic style as "Thomas More Kim Dae-jung."

Foot in the door: a Southern priest as social worker

Remarkably, a Franciscan father said in Seoul soon after that beginning in late November, he will run a workers' welfare center within PHT, offering free meals, medical checkups, haircuts, and other services. Paul Kim Kwon-soon is thus the first Catholic priest to live in North Korea for over half a century, albeit not working as such. Getting this foot in the door took three years of "great efforts" by his Order of Friars Minor. It may be relevant that Caritas, the Catholic relief agency, has been active in the North for over a decade. In 2007 the South Korean church took over this program of assistance, previously run from Hong Kong.

Making music together

While official North-South ties stayed frozen, some forms of cooperation continued. In mid-October musicians from both Koreas joined forces for the first time to play the music of Yun Isang (1917-1995), Korea's greatest modern composer, in a series of concerts in Pyongyang.

Yun epitomizes the Korean tragedy. Born near Busan, in 1967 he was abducted from Berlin by the Korean Central Intelligence Agency (KCIA) and tortured for contacting North Koreans in

East Germany. Spared execution (unlike several colleagues) by an international campaign, he returned to West Germany to be feted by the North, which set up an academy named for him. A regular visitor to Pyongyang, he never returned to South Korea, refusing to recant anything, and died before the “Sunshine” policy rehabilitated him. His Southern supporters now regularly attend the annual concerts in Pyongyang (this was the 27th), but this was their first co-performance. (These occasions are the only chance a few North Koreans ever get to hear modern Western-style classical music.)

North sacks its point man on the South

News travels slowly in secretive North Korea, and even more slowly out of it. Only at the turn of the year did sources in Seoul confirm unofficially that Choe Sung-chol, who as vice-chairman of the Asia-Pacific Peace Committee had handled relations with the South – and as such played a lead role in arranging October 2007’s summit meeting in Pyongyang between Kim Jong-il and the South’s then leader, Roh Moo-hyun – was dismissed as long ago as last March. His successor is said to be Yu Yong-son, head of the North’s Buddhist Federation, who himself participated in several rounds of inter-Korean ministerial talks since 2000.

The timing is plausible, since from April Pyongyang began to denounce ROK President Lee Myung-bak, having thitherto kept its counsel. Choe’s downfall was to have misjudged Lee, expecting him to continue the “Sunshine” policy rather than shift to the harder line that he in fact took. Choe’s fate is unknown, but the price of failure can be high in Pyongyang. One Southern press report added that Kwon Ho-ung, a former Northern chief negotiator for the inter-Korean ministerial talks, is now under house arrest, although no reason was given.

No food aid

Like almost everything else between the Koreas, badly needed food aid remained on hold. The year ended without either the usual annual rice or fertilizer “loans.” The North was too proud to ask, and the South would not give without an official request. Seoul did offer an emergency gift of 50,000 tons of corn, far less than the norm, but the North did not deign to reply. Nonetheless, interestingly, the MOU budget for 2009 includes allocations for 500,000 tons of rice and 300,000 of fertilizer, the usual amounts in the past.

Each says the other spies

The last decade has seen a dearth of spying cases in Seoul. It was never clear whether the North had truly changed its ways – remember those two beached submarines in the 1990s – or if a softer South did not want to jeopardize sunshine by catching anyone. The National Intelligence Service (NIS) was on the defensive anyway, amidst revelations of how its predecessor, the feared KCIA, had for years routinely framed innocent democrats and others whom it falsely accused of being Northern agents.

Now the old ways are back. On Oct. 15 the defector-spy Won Jeong-hwa (discussed in our last issue: “A Northern Mata Hari reveals all”) received a five-year jail sentence – lenient, in consideration of her guilty pleas and cooperation with the prosecution.

Not to be outdone, two months later on Dec. 18, North Korea's Ministry of State Security (MSS) announced the arrest of a spy, named only as Ri, who it said had been on a "terrorist mission ordered by a South Korean puppet intelligence-gathering organization to do harm to the safety of the top leader of the DPRK." He had also sought to gather various military and other data. MSS warned of severe consequences, but Seoul denied any such involvement.

Spies privatized

Next day, however, the leader of a Southern association of families of abductees said that the arrested man was one of his agents and that MSS's charges are "mostly true" – except that there was no plot to kill Kim Jong-il. It remains to be seen if this comes to what passes for a trial in Pyongyang, or if that gets publicized. This intriguing twist is a reminder that today's inter-Korean relationship is no longer the monopoly of governments, on either side. Nonstate actors, with or without official sanction, are for good or ill playing an increasing role.

Earlier, in mid-November, a 20-strong delegation from the ROK's hard-left Democratic Labor Party (DLP) visited Pyongyang. Such trips in the past have landed the party in hot water at home for dancing too keenly to their host's tune; some DLP members have even been charged with spying. This time, though, they bore a message from Vice Unification Minister Hong Yang-ho assuring the North that Seoul has not "completely turned away" from agreements forged by previous liberal governments. On their return, they reported that the DPRK "remains very tough toward the Lee Myung-bak administration." It hardly needed a visit to work that out.

Seoul's history wars continue

South Korea's dispute over how to teach modern Korean history in schools, discussed in our last issue ("Rewriting history"), intensified in the past quarter. At one level an internal ROK matter, this also bears directly on attitudes and policy toward the North, as well as reflecting contentious rival interpretations of the causes and effects of the peninsula's division in 1945.

In mid-December, *Kumsung*, the last of six textbook publishers ordered by the Education Ministry to make a total of 206 amendments, reluctantly complied. The book's authors filed suit to prevent this, but failed. The whole episode has sparked fierce debate regarding both the substance of the changes and the government's action, which critics see as censorship.

Their opponents, conversely, are appalled by what one has called "intellectual parricide." *Kumsung*, the best-seller molding the minds of today's Southern teenagers, is accused of double standards: critical of the South, while excusing the North. This one-sided approach to the fraught years after 1945 finds fault with the ROK's origins, which are seen as a divisive U.S. ploy using pro-Japan collaborators. The DPRK, by contrast, is portrayed as if *juche* were true. Its Soviet origins, like its human right abuses, are downplayed or even omitted. The implicit subtext is that the North is authentic, whereas the South is tainted by a kind of original sin.

Correcting such distortions is urgent. Alas, the conservatives pressing for this also seek to whitewash the ROK's past military regimes – whose victims, many now active in the liberal

Democratic Party (DP) and other opposition groups, are rightly up in arms on that score. To make it worse, each side denies the other's view as not merely wrong but illegitimate. Hence, neither will compromise in the struggle to define history. This one will run and run.

Chinese controls curb defector flows

A record total of 2,809 Northern defectors reached the South in 2008, 10 percent more than in 2007. This rate of increase was far smaller than the 26 and 46 percent in 2007 and 2006 respectively, reflecting a slowdown attributed to tighter Chinese border controls recently. (Very few defectors cross the heavily armed DMZ directly; almost all have to make a long and hazardous journey across China to seek asylum at ROK embassies in Southeast Asia.)

Whereas some 1,700 arrived in the first half of 2008, second half arrivals fell to 1,100. The cumulative total now exceeds 15,000, with the great majority arriving in the past decade. Integrating them into the South's vastly different society remains very difficult, a warning of the huge challenge that reunification will pose one day. Hanawon, the main reception center south of Seoul, recently doubled in size and is expanding its educational program.

Delisting dilemmas

Turning to the broader regional context, the vicissitudes of the Six-Party Talks (6PT) as ever continued to strain key alliances. Publicly, the ROK (unlike Japan) welcomed the U.S. delisting of the DPRK as a state sponsoring terrorism, saying it hoped this will improve inter-Korean ties. The Seoul press was more critical, probably reflecting unstated official skepticism. There was little surprise when December's 6PT plenary stalled over verification issues.

Going forward, the immediate challenge for both Koreas is of course how to handle the new Obama administration. Worries that President Barack Obama might emulate Bill Clinton in engaging the North regardless of the South (as in 1995-97 during Kim Young-sam's presidency) may prompt Lee Myung-bak to try harder to mend North-South ties – if only for fear that Seoul may once again be, or feel, left out of the loop.

Prospects for 2009

Will inter-Korean ties improve in 2009? They could hardly get worse. An unpromising and uncompromising *non sequitur* came in the ROK NIS chief's New Year message. Chief spook Kim Sung-ho, correctly citing the economic crisis as South Korea's main current problem, then made two dubious leaps of logic: "watertight security" is the precondition of economic recovery and the "backbone" of this is constant vigilance toward the North. Kim Jong-il can be accused of many things, but the ROK's financial plight is not one of them. On this, at least, some South Koreans' habit of blaming the U.S. for everything is for once partly true. Although as ever this distracts attention from defects closer to home, such as high debt ratios (banks, small and medium enterprises, and households) and Lee Myung-bak's erratic economic policies.

Cash for POWs and abductees?

Just as one learns not to take DPRK rhetoric at face value – or else the peninsula would be permanently on the brink of war – the same applies to inter-Korean relations. The language remains frosty, but as the year closed something fresh seemed to be stirring under the ice. If and when the two Koreas agree to bury the hatchet later in 2009, the breakthrough may come in a deal of a kind new to Korea, but familiar from the precedent of divided Germany.

One criticism of the past “Sunshine” policy was that it failed to help, or even played down, over 1,000 South Koreans still detained in the North. These include at least 545 prisoners of war (POWs) confirmed to be still alive who should have been returned in 1953, plus 480 civilians (almost all fishermen) abducted since. In fact, this is but a fraction of the true total, for it excludes those taken North when the DPRK briefly occupied most of the ROK in 1950 during the Korean War, who on some estimates number as many as 80,000.

The Lee Myung-bak government has for some time hinted that it is contemplating a deal like that between the former two Germanys. From 1963 to 1989, the West German government paid a total of 3.44 billion Deutschmarks (about \$1.3 billion) to bring 34,000 East German political prisoners to the West. Payment was in cash at first, later shifting to commodities such as crude oil, copper, and coffee. The DPRK party line has long been to stonewall, insisting that there are no such people – all ex-South Koreans in the North are there voluntarily. In late December, however, came hints that Pyongyang might consider a deal. Unification Minister Kim Ha-joong’s trip to Beijing, where he served as ROK ambassador for six years, may have been connected to this.

We shall see if anything comes of this, but both sides have an incentive to strike a bargain. In general, the current stand off is negative for each: the North is losing aid, while the South is losing influence. A deal on abductees and POWs would give Pyongyang much-needed cash or goods – hopefully the latter, since the former is liable to misuse – while enabling Lee Myung-bak to earn both public and partisan kudos by bringing “our boys” home as his liberal predecessors failed to do. A cynical exercise, some may say. Yet if it comes to pass, this will mean a long overdue freedom and homecoming for a few – and it will get the two Koreas talking again. All engagement with Pyongyang entails unpalatable compromises; this one would be no worse than many before. Currently it looks the best way to break the impasse.

Chronology of North Korea-South Korea Relations October-December 2008

Oct. 1, 2008: Prosecutors demand a 5-year jail term for Won Jeong-hwa, 35, who came to Seoul as a defector but has pleaded guilty to being a DPRK spy, obtaining secrets via sexual liaisons with several ROK military personnel.

Oct. 1, 2008: The DPRK website Uriminzokkiri calls Suh Jae-jean, new head of the Korean Institute for National Unification (KINU) – the official ROK think tank on the North, under the Unification Ministry (MOU) – an “extremely vicious ... anti-DPRK hysteric”. Suh told a

university forum recently that dialogue with an “abnormal and wrong regime” like North Korea is worthless, adding that reports of Kim Jong-il’s illness 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 start is delayed almost an hour when the North demands that media be present throughout; the South protests that this is not the norm.

Oct. 2, 2008: Some 40 lawmakers of South Korea’s center-left main opposition Democratic Party (DP) visit the Kaesong industrial complex (KIC).

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 tenth anniversary of such tours on Nov. 8. (In the event it does not.)

Oct. 7, 2008: The DPRK test-fires two short-range missiles in the Yellow Sea.

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.

Oct. 9, 2008: North Korea’s Naval Command warns that repeated violations of its waters by ROK warships risk a clash in the Yellow Sea, as in 1999 and 2002. For its part, Seoul says DPRK vessels have crossed south of the NLL 21 times so far this year.

Oct. 9, 2008: MOU says that it has earmarked Won 643 billion (\$460) million for rice and fertilizer aid to the North in 2009, despite such assistance being currently suspended. The budget for inter-Korean economic projects, however, will be halved to Won 300 billion.

Oct. 10, 2008: Celebrations of the 63rd anniversary of the North’s ruling Workers’ Party of Korea (WPK), normally a major occasion, are low-key. There is no sign of Kim Jong-il.

Oct. 10, 2008: The Seoul-based Fighters for Free North Korea (FFNK) and two other North Korean defectors’ groups mark the WPK anniversary by launching large balloons carrying tens of thousands of propaganda leaflets across the DMZ.

Oct. 11, 2008: Uriminzokkiri, North Korea's official website, reports a new DPRK site, ryugyongclip.com, devoted to Pyongyang city. In Korean language only, this is presumably aimed at the South and overseas Koreans. Pictures and videos are offered for sale (in euros).

Oct. 12, 2008: Seoul officially welcomes the U.S. delisting of the DPRK as a state regarded as sponsoring terrorism, saying it hopes this will improve inter-Korean ties.

Oct. 15, 2008: A court in Suwon sentences 'Mata Hari' Won Jeong-hwa (see Oct. 1, above) to five years in jail for spying for Pyongyang. This lenient sentence – the maximum penalty could have been death – takes into account her guilty plea and confession.

Oct. 15-17, 2008: In a series of concerts in Pyongyang, musicians from both Koreas for the first time jointly perform works by Yun Isang (1917-95), Korea's leading modern composer.

Oct. 16, 2008: Further escalating criticism of President Lee Myung-bak as a "traitor, U.S. puppet and sycophant", *Rodong Sinmun*, daily paper of the DPRK's ruling Workers Party of Korea (WPK), threatens a "total freezing of North-South relations" unless Lee changes his stance.

Oct. 20, 2008: ROK Foreign Minister Yu Myung-hwan says the South is ready to provide "comprehensive assistance" to the North, but two factors prevent this: slow progress in denuclearization and Pyongyang's boycott of dialogue with Seoul.

Oct. 21, 2008: *Minju Joson*, daily paper of the DPRK government, accuses the Lee Myung-bak administration of "conspiring with and patronizing" Southern NGOs that send hostile leaflets into the North. It warns that this "psychological campaign" so annoys the Northern army and people that any accident along the DMZ might trigger an armed conflict.

Oct. 22, 2008: Unification Minister Kim Ha-joong says Seoul will "stay calm and firm while continuing to push for dialogue and cooperation," despite Pyongyang's shrill threats.

Oct. 24, 2008: The Committee for Peaceful Reunification of the Fatherland (CPRF), a body under the WPK handling the South, condemns "the U.S. and South Korean puppets' open war confab" in reference to the annual U.S.-ROK military consultation meeting, held in Washington on Oct. 17, which discussed how to respond in case of regime change or instability in the North.

Oct. 26, 2008: The DPRK's *Korean Central Broadcasting Station (KCBS) television* attacks a recent comment by the ROK Air Force Commander Lee Kae-hoon, emphasizing high-tech military coordination to maintain effective strike capability, as "a declaration of war."

Oct. 26, 2008: For a second time, ROK firms in the KIC plead with the leafleteers to desist, saying they are worsening inter-Korean ties and scaring away investors. Undeterred, Choi Song-ryong, who leads an association of families of abductees, said his group will press on with a scheduled leaflet launch next day of leaflets naming persons abducted to the North.

Oct. 27, 2008: Inter-Korean military talks are held by the roadside at Panmunjom. The North again protests at the sending of leaflets across the DMZ, warning that if this does not stop it may suspend the Kaesong industrial complex (KIC).

Oct. 27, 2008: MOU says that since Oct. 20 the North has been excising articles from ROK newspapers delivered to the Kaesong complex, apparently in case Northern workers read about Kim Jong-il's ill-health. 30 copies of 9 different papers cross the DMZ each day.

Oct. 28, 2008: *KCNA* quotes a military source as warning that Pyongyang will counter any ROK attack: "The advanced pre-emptive strike of our own style is based on a pre-emptive strike beyond imagination relying on striking means more powerful than a nuclear weapon."

Oct. 28, 2008: A GNP lawmaker quotes Kim Sung-ho, director of the National Intelligence Service (NIS), as telling a closed session of the ROK National Assembly that Kim Jong-il, "although not completely fit ... appears well enough to perform his daily duties."

Oct. 28, 2008: A KPA soldier defects across the DMZ to an ROK guard post. Such direct border crossings remain rare.

Oct. 29, 2008: A 254-strong Southern delegation, the largest to go North since Lee Myung-bak took office, flies by chartered plane to Pyongyang for the opening of the first ROK joint venture (JV) sited in the DPRK capital. (See also next entry.)

Oct. 30, 2008: Pyongyang Hemp Textiles (PHT), a 50-50 JV of the South's Andong Hemp Textiles (AHT) and the North's Saemyol General Trading Co., starts operations in the DPRK capital, three years after the project was agreed. Each side has invested \$15 million.

Oct. 30, 2008: At a meeting in Seoul on national competitiveness, President Lee quotes a foreign report citing Kim Jong-il as one of three major factors undermining South Korea's national brand. The other two are industrial conflict and illegal demonstrations.

Oct. 31, 2008: Official sources in Seoul say that shipment of 3,000 tons of steel pipe, due to be sent North as energy-related aid under the Six-Party Talks (6PT) by end-October, is likely to be postponed until a verification protocol is agreed at the upcoming 6PT plenary meeting.

Nov. 1, 2008: The AHT party flies back to Seoul. During their trip they also attended an investment briefing, toured factories, and went hiking at Mt. Paektu on the Chinese border.

Nov. 4, 2008: Paul Kim Kwon-soon, a Franciscan father, reveals in Seoul that he will run a workers' welfare center within PHT from later this month, as the first Roman Catholic priest to live in North Korea for over half a century.

Nov. 6, 2008: Gen. Kim Yong-chol, chief DPRK delegate to inter-Korean military talks and policy chief of the National Defense Commission (NDC), leads an unprecedented and unannounced KPA inspection of the Kaesong industrial complex.

Nov. 7, 2008: *Choson Sinbo*, the daily paper of pro-North Koreans in Japan, suggests that if the Obama administration actively pursues dialogue with the DPRK, the latter will sideline South Korea even more unless the Lee administration changes its hardline stance.

Nov. 11, 2008: In a newspaper interview, ROK President Lee says he would not oppose Barack Obama meeting Kim Jong-il “as long as it helps to lead North Korea to abandon its nuclear program.” He reiterates this on Nov. 14 while in Washington for the G20 meeting.

Nov. 11, 2008: The ROK’s National Human Rights Commission (NHRC) says it has set up a special committee to monitor human rights in North Korea. Since its inception in 2001 the NHRC under previous liberal governments had largely ignored abuses in the DPRK, for fear of jeopardizing the former “Sunshine” policy of engagement.

Nov. 12, 2008: The KPA warns that, effective Dec. 1, it will “strictly restrict and cut off” traffic crossing the DMZ. Separately, the DPRK Red Cross says it will close a liaison office in the truce village of Panmunjom and withdraw its representatives there, while also severing all cross-border telephone channels with its ROK counterparts.

Nov. 13, 2008: MOU says the South will deal calmly with the North’s threats, and urges the latter to resume dialogue. It adds that inter-Korean hot lines for maritime affairs and aviation liaison at Panmunjom are in fact still working.

Nov. 13, 2008: The ROK defense ministry (MND) faxes the North, proposing talks on providing materials and equipment to improve military communications (see Oct. 27).

Nov. 13, 2008: The ROK’s main opposition Democratic Party urges President Lee to change tack and “start setting up a new North Korea policy from ground zero.”

Nov. 13, 2008: One thing all Koreans can agree on: A joint seminar denouncing Japan’s moves to distort history and seize the Dokdo (Takeshima) islets is held in Pyongyang.

Nov. 15, 2008: *Rodong Sinmun* criticizes routine U.S.-ROK annual war games as “criminal.”

Nov. 15-19, 2008: A 20-strong delegation from the ROK’s hard-left Democratic Labor Party (DLP) visits Pyongyang. It carries a message from vice unification minister Hong Yang-ho, assuring the DPRK that Seoul has not “completely turned away” from agreements forged by previous liberal governments. On its return the DLP says that the North “remains very tough toward the Lee Myung-bak administration.”

Nov. 17, 2008: Pyongyang rejects Seoul’s recent calls for dialogue as hypocritical: “It is the steadfast stand of the whole nation that nothing can be expected from this traitorous regime.”

Nov. 18, 2008: *Rodong Sinmun* and *Minju Joson* both attack Seoul for co-sponsoring a UN resolution critical of Pyongyang’s human rights abuses, calling this “an intolerable mockery of the DPRK’s dignified system.” (See also Dec. 19, below.)

Nov. 18, 2008: Seoul lets four ROK civilians visit Mt. Kumgang; not as tourists, but to deliver 50,000 coal briquettes as aid to a nearby DPRK village.

Nov. 19, 2008: MOU says it will “make aggressive efforts” to dissuade leafleteering NGOs. The latter respond by announcing further imminent balloon launches into the North.

Nov. 20, 2008: *Yonhap*, the semi-official ROK news agency, notes that over 1.9 million South Koreans have visited Mt. Kumgang as of June this year; 22 have died in various accidents at the resort over the past decade, as has one KPA soldier.

Nov. 21, 2008: Seoul repatriates six North Koreans whose boat drifted into Southern waters off the east coast owing to engine failure a day earlier.

Nov. 23, 2008: MOU reports that North-South trade in October fell 23 percent year-on-year, down to \$160 million from \$210 million in the same month last year as ties have soured.

Nov. 24, 2008: Gen. Kim Yong-chol (see Nov. 9), policy chief of the DPRK National Defense Commission (NDC), announces border restrictions effective Dec. 1.

Nov. 24, 2008: Fighters for a Free North Korea, the chief leafleteers, declare a three month moratorium – only to cancel this next day in riposte to the North’s new border restrictions.

Nov. 25-28, 2008: Most South Koreans required to leave the Kaesong and Kumgang zones do so, ahead of the North’s new restrictions due to be imposed from Dec. 1

Nov. 27, 2008: Seoul press reports claim that Kim Hyun-hee, the DPRK terrorist who bombed Korean Air flight 858 off Burma in 1987 but later converted, has complained that under the previous government both the ROK National Intelligence Service (NIS) and the Truth and Reconciliation Commission pressured her to recant her claim that Kim Jong-il ordered the bombing. When she refused, the NIS leaked her secret address, forcing her to move.

Nov. 30, 2008: Pyongyang confirms to Seoul that from Dec. 1 cross-border rail services and day tourist trips by road to Kaesong city will both cease.

Nov. 30, 2008: Seoul says Pyongyang has banned any ROK publications from being brought across the DMZ, even by Southern managers in the Kaesong zone who hitherto could do so.

Dec. 1, 2008: The North implements its border restrictions on cue, denying entry to 56 South Koreans. Seoul protests that this “very regrettable” step breaches inter-Korean accords, and urges Pyongyang to retract the new measures.

Dec. 2, 2008: Left- and right-wing South Korean activists scuffle at Imjingak near the DMZ, as the former try to stop the latter launching balloon-borne leaflets into North Korea.

Dec. 2, 2008: South Korean prosecutors indict five leading members of a left-wing civic group, Solidarity for Implementing the South-North Joint Declaration, for spreading North Korean

propaganda. Four other members are already on trial on similar charges. These are the first such prosecutions for a decade under the controversial National Security Law.

Dec. 3, 2008: The ROK Defense Ministry (MND) tells the National Assembly Committee on inter-Korean Relations that “North Korea has breached or failed to honor most of the agreements reached between the South and the North in military affairs,” and that military relations are now all but defunct.

Dec. 4, 2008: MOU reports that the last group of about 50 evicted personnel, including 23 Chinese, leave the Kaesong and Kumgang zones pursuant to Pyongyang’s new restrictions.

Dec. 5, 2008: An anonymous MND official tells reporters that Seoul is mulling offering “incentives” to Pyongyang to free Southern POWs and abductees. 76 POWs have escaped from the North, including six this year.

Dec. 6, 2008: Pyongyang rejects as “provocative” Seoul’s (in truth rather mild) reaction to the border restrictions imposed by the North from Dec. 1.

Dec. 9, 2008: Seoul reiterates that it has no immediate plan to send food aid to Pyongyang, despite a new UN estimate that the North will have an 800,000 ton grain shortfall in 2009.

Dec. 14, 2008: ROK lawmakers earmark Won 1.59 trillion (\$1.18 billion) for North-South cooperation in 2009, up 8.6 percent from 2008. The new budget includes Won 643.7 billion to provide 400,000 tons of rice and 300,000 tons of fertilizer aid, despite current poor ties and the fact that such aid, which used to be regular, has been suspended since 2006.

Dec. 15, 2008: *Kumsung*, producer of the most-read and most left-leaning South Korean high school textbook on modern Korean history, is the last of six publishers to accept up to 206 changes ordered by the Education Ministry. The general thrust is a more critical view of North Korea and a more positive account of the origins of the ROK after 1945.

Dec. 16, 2008: Kim Hak-song, a GNP lawmaker who chairs the ROK National Assembly’s Defense Committee on Defense, says that the DPRK may have over 20 nuclear weapons if it has chosen to make small warheads each using 2-3 kg of plutonium.

Dec. 18, 2008: The South’s Rural Development Administration says that North Korea’s total grain harvest rose by 300,000 tons or 7 percent in 2008, thanks to better weather. Though an early drought cut the corn crop by 3 percent to 1.5 million tons, rice rose by 330,000 tons to 1.9 million tons. Other crops included potatoes (500,000 tons), soy beans (160,000 tons) and barley and other grains (240,000 tons).

Dec. 17-18, 2008: Lt. Gen. Kim Yong-chol, head of the of the DPRK National Defense Commission (NDC)’s policy planning office, warns on a rare two-day inspection trip to the Kaesong Industrial Complex (KIC) that the current freeze in North-South ties is “serious,” and that the North’s sanctions are “not temporary, emotional or symbolic.”

Dec. 18, 2008: North Korea's Ministry of State Security (MSS) announces the arrest of a spy, named only as Ri, who was on a "terrorist mission ordered by a South Korean puppet intelligence-gathering organization to do harm to the safety of the top leader of the DPRK," and warns of severe consequences. The ROK denies any such involvement.

Dec. 19, 2008: Choi Sung-yong, president of the Family Assembly Abducted to North Korea, a Seoul-based NGO, says the spy arrested by the North was one of his agents, and that MSS's charges are "mostly true." But he denies any plot to kill Kim Jong-il.

Dec. 19, 2008: The ROK co-sponsors the UN General Assembly's annual resolution condemning DPRK human rights abuses, which is adopted by 94 votes to 22 with 63 abstentions.

Dec. 20, 2008: *Radio Free Asia* reports that 19 DPRK defectors, including an elderly man and a child, will stand trial in Burma for illegal entry. They were arrested after crossing the border from China, hoping to get to South Korea.

Dec. 20, 2008: MOU reports that inter-Korean trade fell year-on-year for the second month running. November's total of \$142.72 million was down 27.7 percent from 2007. The weak Southern won was blamed; most payments to the North are made in dollars or euros. But for the year overall to end-November, the total of 1.69 billion dollars is up 3.7 percent on 2007.

Dec. 22, 2008: MOU announces that resettlement training for North Korean defectors will increase from 8 to 12 weeks, effective March. Hanawon, the main training center some 45 miles south of Seoul, recently doubled its capacity to 600 persons as arrival numbers grow.

Dec. 22, 2008: *Rodong Sinmun*, daily paper of North Korea's ruling Workers Party of Korea (WPK), attacks Seoul's recent overtures: "Hypocritical is the "dialogue" much publicized by those who seek confrontation with daggers hidden behind their belts."

Dec. 22, 2008: Despite official denials, sources in Seoul signal that Pyongyang has indicated willingness to return some Southern POWs and abductees in exchange for aid.

Dec. 22, 2008: Ignoring the ROK government's appeal to stop, the North Korea Christian Association in South Korea sends 1.5 million propaganda leaflets on 26 large balloons into the North from an island off the west coast.

Dec. 23, 2008: DPRK Defense Minister Kim Il-chol warns "the South Korean warmongers" not to unleash a war. If they do, the North's "preemptive strike, built upon stronger means than nuclear weapons, will not only make the South a sea of fire but turn all things that are against the Korean people and unification into a pile of ashes."

Dec. 26, 2008: An official in Jeju says MOU has both withdrawn funding (around \$1.5 million) and forbidden it to send 10,000 tons of locally grown tangerines to North Korea. Jeju has sent such aid every winter since 1998.

Dec. 28, 2008: The DPRK website Uriminjokkiri warns that “If the Lee Myung-bak government continues to push for its confrontational policy next year, North-South relations will further deteriorate.”

Dec. 29, 2008: ROK Unification Minister Kim Ha-joong says “everything is normal” in the North, and its “leadership is stable.” Citing Kim Jong-il’s 13 reported public appearances in December alone, Kim admits that this “year-end concentration seems a bit unique.”

Dec. 30, 2008: MOU spokesman confirms that the ROK is mulling paying the North to return Southern detainees, saying that “The return of the abductees and war prisoners is our priority”

Dec. 30, 2008: An ROK navy patrol boat picks up a family of four North Koreans, who defected from Haeju that day in a small wooden boat. Such direct defections remain rare.

Dec. 30, 2008: Jungto Society (JTS), also known as Good Friends, a South Korean Buddhist NGO active in the North, says it has sent baby formula and maternal foods worth \$300,000 to Hoeryong in the DPRK’s impoverished northeastern province of North Hamgyong. It also delivered life support machines, oxygen generators and other medical equipment worth over \$100,000 to a hospital in the same province earlier in December.

Dec. 30, 2008: The ROK-based Northeast Asia Foundation for Education and Culture (NAFEC) says that the much-delayed Pyongyang University of Science and Technology (PUST), which it is building and funding, will not open until April 2009. It is ready to start now, but both Korean governments have warned that the timing is unpropitious.

Jan. 1, 2009: The DPRK’s customary New Year joint editorial, carried in the Party, army and youth daily papers, accuses Lee Myung-bak of being “steeped in pro-U.S. sycophancy and hostility towards fellow countrymen.” Washington, by contrast, is spared such invective.

Jan. 2, 2009: *Choson Sinbo*, the daily paper of pro-North Koreans in Japan, says that the North will continue a hard line toward the South unless Seoul changes its stance, “no matter how (the Lee government) rehearses kind but hollow words.”

Jan. 2, 2009: The diirector of South Korea’s National Intelligence Service (NIS) vows in his New Year message to monitor the North closely. Kim Sung-ho avers that national security is a precondition for the ROK’s economic revival; he does not explain why.

Jan. 3, 2009: In a telephone call to UN Secretary-General Ban Ki-moon, himself a former ROK foreign minister, Lee Myung-bak asks the UN to help improve inter-Korean relations.

Jan. 5, 2009: The Seoul press reports the ROK government as unofficially confirming that the DPRK’s point man on the South, Choe Song-chul, deputy director of the KWP’s United Front department, was sacked last March. Some name his replacement as Yu Yong-sun (68), hitherto leader of North Korea’s Buddhist federation.