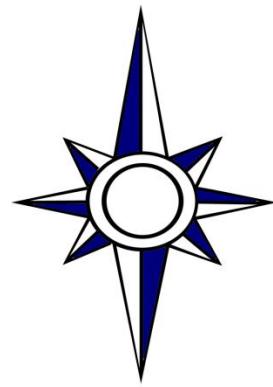


# Comparative Connections

A Triannual E-Journal on East Asian Bilateral Relations



## South Korea-North Korea Relations: Waiting for Better

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There is very little to be said about relations between the two Koreas in the middle four months of 2012. And under a sensible new dispensation granted by this esteemed journal's editors, I need not pretend otherwise. Usually guilty of over-writing (probably in more senses than one) when there was much to report and comment on, for once this time we shall be brief.

Inter-Korean relations have more than one level. *Comparative Connections* focuses mainly on "high politics," i.e., states as actors and their interactions. It is in that sense that this time we have sadly little to report. As regular readers or anyone who follows the peninsula will know, relations between the two Koreas could hardly be worse. In recent months they have hardly interacted at all, though each has engaged in megaphone diplomacy. As always the North's was shriller and nastier. We analyzed a particularly foul aspect of this in the last issue, and there seems no special merit in dwelling on this again. But there is also "low politics," meaning interactions by nonstate actors – private citizens, NGOs, traders, and so on – in a range of realms: aid, business, culture, family ties, and more. To a degree, in a situation as tense as Korea, these too are constrained by and take their cue from the state: wholly so in Pyongyang, but not entirely in Seoul. On this level there is more to report, mainly in the chronology. For once it may be advisable to read that before this, to get a sense of the wider picture and detailed fabric of inter-Korean relations at this juncture. Here we pick a few themes. What have the two states been saying to, or at, each other?

### Not quite so personal

The slightly good news is that Pyongyang has partly toned down its vitriolic personal attacks on ROK President Lee Myung-bak. The website of the official *Korean Central News Agency (KCNA)* no longer displays such charming slogans as "Let Us Cut off Windpipes of the Lee Myung Bak-led Swarm of Rats!" After flashing across the masthead of KCNA's homepage for months, these were moved to a less prominent position at the foot of the page. They have now been replaced by sentiments just as militant but less personalized, such as "Let's Realize the Nation's Cherished Desire through a Great War for National Reunification."

Clicking on this leads to a lengthy file of articles now headed "U.S.-S. Korean Provocation Censured," though the contents overlap with those formerly collated under "Lee Myung Bak Group Under Fire." Evidently someone decided both to depersonalize this a little – after all, Lee will soon be history; at this writing, barely five months of his presidential term remain – and also not to let his imperialist masters in Washington (as they see it) off the hook. Above all, the vile cartoons depicting Lee as a rat being bloodily done to death have disappeared.

## **Targeting Seoul's media**

Not that the North is any less angry. In an astonishing outburst in June, it took umbrage at Southern sniping at a children's festival in Pyongyang. With Kim Jong Un pictured cuddling kiddiekins who wept for joy, Nazi comparisons were freely (if not very accurately) made. For this the Korean People's Army (KPA) not only threatened three ROK dailies by name – the usual rightist suspects: the *Chosun*, *JoongAng*, and *Dong-A Ilbo* – but printed the coordinates of their buildings in Seoul (albeit partly wrong), as if to show that KPA artillery already had these bad-mouthing vermin in their sights. As usual the threat proved hollow, so far.

Also menaced by name were several defectors and other activists who campaign for human rights in North Korea. A tirade on July 31 by the wittily named Committee for the Peaceful Reunification of Korea (CPRK) directly threatened four such individuals in South Korea for alleged plots against the DPRK, including fantastic accusations of plotting to blow up statues of you know who. Earlier the North had produced at a press conference a captured defector, Jon Yong Chol, who gave a lurid and detailed account of being recruited for such a plot. But there is not a jot of evidence for this, which did not stop DPRK media working themselves up into great froths of faux indignation. A friend of Jon's in Seoul said he was a drug dealer.

## **Terrorist and proud**

Anyone mulling North Korea's worthiness to be reinstated on the State Department's roster of terrorist nations – sadly, its being listed remains subject to politics rather than hard facts – might care to note the CPRK's bluster, not least this passage: "We will ... never allow those abductors, terrorists and saboteurs who dare hurt the dignity of the supreme leadership of the DPRK ... to go scot-free even by scouring all parts of the earth" (emphasis added). This is no idle threat. The *Chosun Ilbo* is probably safe from KPA mortars, but there have been several instances of Northern assassins being intercepted and confessing they had been sent south to silence especially troublesome defectors.

And not only defectors. One of these "targets to be punished" – the CPRK did not mince its words – was "wicked traitor" and "despicable renegade" Kim Young-hwan. Kim is a South Korean, so how can he be a traitor? Because in a fascinating if alas untypical odyssey, in the 1980s he was an influential pro-North student leader; tortured by the then dictatorship, and important enough to be whisked in a KPA submarine from a beach near Seoul to meet Kim Il Sung. That encounter dented his faith. The Great Leader proved a great letdown, ignorant of his own Juche theory. By 1995, Kim Young-hwan was denouncing the Northern regime, and has worked to overthrow it ever since. (See a fascinating article by the *New York Times'* ever-excellent Choe Sang-Hun: <http://www.nytimes.com/2012/08/24/world/asia/korean-activist-kim-young-hwan-ex-supporter-of-north-plots-his-next-move.html>) In late July, Kim made wider headlines, claiming he was tortured during three months' detention in China. Beijing of course denied this, but the incident made waves in the ROK-PRC relationship.

## **Of rabid dogs and peace jars**

Not that PRC-DPRK ties were all clear sailing either. Korea-China is another's bailiwick in these pages, but in the real world the dyads and triads overlap. Pyongyang naturally does not like to

see Sino-South Korean ties flourish even in the military field, and took umbrage when the second South Korean-China Defense Strategic Dialogue was held in Beijing on July 31. Unable to criticize its ally and benefactor directly, KCNA reviled “gangsters of the puppet military, yes men of traitor Lee Myung Bak” for “holding ‘dialogue on defense strategy’ in neighboring country” (sic). China will no doubt have appreciated being told, in inimitable DPRK style, that “rabid dogs must be beaten to death instead of getting close to them.”

South Korea is subtler, or quirkier. In May, Unification Minister Yu Woo-ik was pictured in an apron at a kiln in Munkyong, 150 km south of Seoul. Guided by master potter Kim Jung-ok, he put together a terracotta jar on which he wrote ‘Peaceful Unification’; a symbol of the nation’s need to start preparing – in particular financially – for the big bang. It all looked rather sweet. Yet surely *Rodong Shinmun*, daily paper of the North’s ruling Workers’ Party of Korea (WPK), had a point when it commented on May 23: “The ‘jar for unification’ is actually aimed to raise money needed for the ‘unification under liberal democracy’”. *Link:* <http://english.yonhapnews.co.kr/fullstory/2012/05/14/73/450000000AEN20120514002100315F.HTML>

### **That'll be \$5.8 million, if you please**

Speaking of money, in May, Seoul reminded Pyongyang that the first repayment for food aid sent a decade earlier fell due in June. Needless to add, no cash was sent south. This was a bit disingenuous of the South. Although strictly rice and fertilizer were provided as the softest of loans rather than outright aid, had the “Sunshine Policy” continued it is hard to believe that this would not have been rolled over or cancelled. Besides, everyone knows North Korea never pays for anything if it can help it, and usually gets away with it. Another recent instance was its effort – arguably successful, in that most has now been *de facto* written off – to duck its \$11 billion Soviet-era debts to Moscow by claiming, as one Russian authority put it, that this was “a sort of Soviet investment into ‘protecting the Eastern flank of the Socialist system.’” (See <http://nautilus.org/napsnet/napsnet-policy-forum/roadblock-removed-the-issue-of-north-korean-debt-to-russia-settled/>)

That was typically brazen, yet in a sense not untrue. Under Lee Myung-bak, South Korea seemed to forget the in-truth rather paltry sums – though ROK conservatives claim otherwise – which flowed North under various pretexts (some under the table) during the decade of “Sunshine” might similarly be seen as a kind of investment. No guaranteed return, but at least an effort to create structures of mutual interest where none yet existed, so as to balance and in time neutralize the many mutual hostilities. One could even see this as a long-term ploy to soften up the North for eventual collapse, as 20 years of West German *Ostpolitik* arguably did to the former GDR. I have quoted here before, possibly more than once, the dictum of the Edwardian humorist who wrote as Saki (real name, H.H.Munro): that among all the many ways to kill a cat, choking it on cream should not be overlooked.

Lee, by contrast, views *Nordpolitik* mainly through prisms of politics, ideology, and security rather than geo-economics. Those issues matter, but meanwhile China has hastened to fill the vacuum and invest in protecting its eastern flank on the Yalu and Tumen rivers. By the time I next write, South Koreans will have elected Lee’s successor (he cannot run again) on Dec. 19; regardless of party they will almost certainly change tack and try to retrieve lost ground. Park Geun-hye, no friend of Lee and now standard-bearer for the no longer quite so right-wing ruling

party – which in a Kennedyesque touch she has rebranded as Saenuri (New Frontier), wrote in *Foreign Affairs* a year ago of the need to build “Trustpolitik” (whatever that may mean) with the North. Moon Jae-in, the probable candidate of the liberal opposition Democratic United Party (DUP), said in August that if elected he would seek a third inter-Korean summit and an economic union with North Korea, beginning by resurrecting joint-venture projects agreed by Roh Moo-hyun (2003-08) but cancelled by Lee Myung-bak.

### A better way

Among all the bile, there are already glimpses of another way. In June the mayor of Incheon met senior North Koreans at a forum on economic cooperation in Dandong, right on China’s border with North Korea. (Dandong faces the DPRK city of Sinuiju across the river known as Amnok in Korea but Yalu more widely.) This was the first meeting between high-ranking South and North Korean officials of the Kim Jong Un era. Also in China, equally close to North Korea on the other side of the peninsula, two South Korean firms, steelmaker Posco and the Hyundai Group, on Sept. 10 broke ground for a 1.5 sq km \$177 million distribution center in Hunchun in Yanbian Korean Autonomous Prefecture; just upstream of the DPRK’s Rason Special Economic Zone, which it is clearly intended to serve.

Meanwhile at a third (southwest) corner of the DPRK, the joint venture Kaesong Industrial Complex (KIC) somehow survives and modestly thrives despite wider inter-Korean hostility. More Northerners than ever (over 51,000) work there, and output rose 23 percent year-on-year in the first half of 2012 to \$236 million. Hundreds of Southern managers and other staff commute daily from Seoul across the formerly impenetrable Demilitarized Zone (DMZ). On June 27, Kang Mi-hwa, an employee of shoemaker Samduk Tongsang which has a factory in the KIC, was garlanded as the millionth person to pass through Dorasan immigration office since it opened in 2003: she has been making the trip since 2005. She is Korea’s future.

### Chronology of North Korea-South Korea Relations May – August 2012

**May 2, 2012:** Officials in Seoul say that since April 28, 252 flights in and out of South Korea have experienced GPS (Global Positioning System) signal jamming.

**May 3, 2012:** In a joint statement at an IAEA meeting in Vienna, all the permanent members of the UN Security Council – including China and Russia – urge North Korea “to refrain from further actions which may cause grave security concerns in the region, including any nuclear tests.” They also reconfirm their “serious concern” at last month’s rocket launch.

**May 4, 2012:** The ROK’s state-owned Export-Import Bank of Korea (Eximbank) reminds the DPRK’s Choson Trade Bank that the first repayment installment of \$5.83 million for food loans, agreed in September 2000, falls due on June 7. No reply is received, nor any payment.

**May 6, 2012:** The DPRK Foreign Ministry rejects the UNSC permanent members’ joint statement (see May 3) as “a grave illegal action of violating the sovereignty of the DPRK and its right to use space and nuclear energy for peaceful purposes.” It vows to continue both nuclear and rocket programs.

**May 6, 2012:** The ROK Unification Ministry (MOU) says that 366 North Korean defectors arrived in South Korea in the first three months of this year, down sharply from 566 in the same period last year. It attributes the drop to a crackdown on the Sino-DPRK border.

**May 14, 2012:** Guided by master potter Kim Jung-ok at Munkyong, 150 km south of Seoul, ROK Unification Minister Yu Woo-ik makes a terracotta jar on which he writes ‘Peaceful Unification’; as a symbol of the nation’s need to start preparing – in particular financially – for the two Koreas becoming one.

**May 15, 2012:** Seoul sources say GPS signals jamming by North Korea ceased on May 14. Some credit President Lee Myung-bak’s meeting with Chinese counterpart Hu Jintao on that day. Jamming had affected 609 flights by 10 ROK airlines and 48 by 22 foreign airlines as of May 9, when release of such data was stopped on security grounds.

**May 23, 2012:** A study by Hyundai Research Institute senior fellow Hong Soon-jick claims that economic losses to South Korea during 2008-11 from the Lee administration’s reduction and later suspension of inter-Korean commerce totaled 10 trillion won (\$8.3 billion), over five times more than the losses to North Korea (1.8 trillion won). This estimate is inflated by including opportunity costs, such as supposed losses of \$4.1 billion from failure to go ahead with the second-phase expansion of the joint venture Kaesong Industrial Complex (KIC).

**May 24, 2012:** *Wall Street Journal* quotes Unification Minister Yu saying “The reason why North Koreans criticize South Korea ever more strongly, we believe, is an expression of anxiety ... I expect this kind of fidelity race (sic) will fade away as [Kim Jong Un’s] authority gets stabilized and anxiety is removed.”

**May 26, 2012:** Jun Won-tchack, a conservative lawyer, stirs controversy by suggesting on live TV (KBS) in Seoul a sharp question to be put to a few newly elected ROK lawmakers who are reputedly pro-Pyongyang: “If one can answer yes to the question, ‘Are Kim Il Sung and Kim Jong Il sons of bitches?’ then he or she is not a blind follower of the North.”

**May 28, 2012:** President Lee Myung-bak says in his biweekly radio address that “The North has repeatedly made wild assertions, but what matters more are some pro-North Korea groups within our society.” This is his first comment on an ongoing controversy over a pro-North faction within the far-left Unified Progressive Party (UPP).

**May 30, 2012:** The Seoul Central District Prosecutors’ Office says two men are under arrest on suspicion of leaking GPS jamming technology to North Korea. One, a 74-year-old named only as Lee, is a communist sentenced to life imprisonment in 1972 for spying for the North. Released on parole in 1990, he began a trading business with the DPRK in 1994.

**May 31, 2012:** Citing intelligence sources, the Seoul daily *JoongAng Ilbo* reports the arrest of Lee Gyeong-ae, a DPRK spy who came to the South via Thailand last year posing as a defector. Her past missions included luring a defector back from the US to China, where she also laundered counterfeit dollars. She is the third such “honeytrap” agent caught since 2008.

**June 1, 2012:** “Flower of unification,” Lim Soo-kyung, famous for an unauthorized visit to North Korea in 1989 in her student days and is now a lawmaker for the DUP, gets into an altercation with a young defector, Baek Yosep. Calling Baek a “traitor,” she yells “How can a son of a bitch like you, a Northern defector of humble birth, come and challenge a lawmaker of the South Korean parliament?” Lim later apologizes several times, saying she was drunk.

**June 4, 2012:** ROK police say that a Seoul man aged 39 named Cho has been arrested for collusion with the Korean People’s Army (KPA)’s Reconnaissance General Bureau (RGB) in China to distribute computer game programs infected with malignant codes in the ROK.

**June 4, 2012:** In an “open ultimatum to the south Korean group of traitors,” the KPA General Staff warns that it has “already targeted” Southern media for criticizing an ongoing children’s festival in Pyongyang.

**June 4, 2012:** Former ROK Prime Minister Lee Hae-chan, now running for chairmanship of the DUP, says on the radio that North Korean human rights issues are its domestic affair and the South should not interfere. Two days later he dismisses a bill on DPRK human rights by the ruling conservative Saenuri party as a trick for “ultraconservative groups” to send more anti-Pyongyang propaganda leaflets across the DMZ. He also dismisses any criticism of such sentiments as a “new McCarthyism” in South Korea.

**June 6, 2012:** A military source in Seoul says that since mid-May sorties by KPA fighter jets have risen sharply to up to 50 per day. The previous day, one SU-25 fighter came near enough to the DMZ to cause four ROK interceptor planes to scramble in response.

**June 7-8, 2012:** A foundation linked to the leftist Seoul daily *Hankyoreh* co-hosts a forum in Dandong with that city and the ROK port of Incheon – which on June 6 signs an MOU on cooperation with another city in northeast China, Shenyang. North Korea sends two WPK Central Committee members and Ri Chang Dok, vice chair of its National Reconciliation Council (NRC). Though not formal participants in the forum, they meet Incheon mayor Song Young-gil; it is said to be the first inter-Korean meeting of officials of the Kim Jong Un era.

**June 11, 2012:** MOU says it will amend the Inter-Korean Exchange and Cooperation Act. In the future South Koreans and Northern defectors will no longer have to seek permission to send a certain amount (yet to be specified) of money to relatives in the North for living and medical expenses. MOU also plans a register of businesses involved in inter-Korean trade – currently banned except for the KIC – so that they can receive support (presumably compensation).

**June 11, 2012:** Criticizing persecution of pro-Pyongyang elements in the South, the North’s Committee for the Peaceful Reunification of Korea (CPRK) threatens to disclose favorable comments made by conservative ROK presidential hopefuls such as Park Geun-hye, Chung Mong-joon, and Kim Moon-soo during their past visits to the DPRK, adding that this “will just stun all south Koreans.” As of September this threat had not been carried out.

**June 18, 2012:** ROK Foreign Ministry (MOFAT) admits some of its staff in Thailand have treated Northern defectors high-handedly. Two female employees are relieved of their duties. They had admitted shouting but denied swearing, as one elderly refugee alleged.

**June 18-19, 2012:** “Virgin bomber” Kim Hyon-hui, convicted of but pardoned for the 1987 KAL 858 bombing (115 died), does her first TV talk show. As in her book, she claims Kim Jong Il personally ordered the bombing to disrupt the Seoul Olympics, and chose a plane full of Koreans working in the Middle East to avoid any repercussions if foreigners were killed.

**June 27, 2012:** Kang Mi-hwa, who works for shoemaker Samduk Tongsang in the Kaesong Industrial Complex (KIC), is garlanded as the millionth person to pass through the ROK’s Dorasan immigration office since it opened in 2003. Some 400 South Koreans commute daily to the KIC across the once impassable DMZ; Ms Kang has been doing so since 2005.

**June 28, 2012:** At a press conference in Pyongyang which KCNA serializes over a week in seven parts, Pak Jong Suk (66), a returned defector, confesses her sins and fulsomely thanks Kim Jong Un for forgiving her and letting her come back to live with her son in Pyongyang.

**June 29, 2012:** On the 10<sup>th</sup> anniversary of a naval clash that killed six ROK sailors, Lee Myung-bak is the first president ever to attend the annual memorial. The Seoul press claims a cover-up at the time saying that then-president Kim Dae-jung accepted the North’s claim that this was an accident and suppressed contrary evidence so as not to jeopardize his “Sunshine Policy.”

**July 1, 2012:** MOU says the number of Northern defectors reaching South Korea fell 43 percent in the first five months of this year to 610 from 1,062 in the same period last year, due to increased security along the North Korea-China border.

**July 5, 2012:** Roh So-hui, 68, a pro-North activist who illicitly entered the DPRK via China on March 24, to be much featured in Pyongyang media thereafter, is seized and bound with ropes as he returns home by crossing the Military Demarcation Line (MDL) at Panmunjom. On Aug. 9 he is charged with pro-enemy activities under the National Security Law (NSL). Nearby, ROK police keep apart rival demonstrations by groups welcoming him home and denouncing him. The latter display a coffin and burn effigies of both Ro and Kim Jong Un.

**July 19, 2012:** At a press conference in Pyongyang Jon Yong-chol, said to be a defector, confesses to “trying to perpetrate hideous crime of destroying statues and monuments in the DPRK at the instructions of the US and south Korean intelligence agencies.” North Korean media launch a vitriolic campaign about this. There is no evidence of any such plot. Seoul confirms that Jon had been a defector; a friend of his claims he was actually a drug dealer.

**July 23, 2012:** The North’s Korean Central Television ramps up its anti-Lee venom, apropos the nonexistent plot to blow up statues. A military dog is shown lunging toward a human-size rag doll with a name tag of the South Korean president, while KPA soldiers fire at paper targets with Lee’s name, parodied images and accusations against Lee written on them.

**July 25, 2012:** At the Summer Olympics in the UK, the DPRK women's soccer team angrily leaves the field in Glasgow when a pre-match video screen mistakenly displays the ROK flag. They return after 40 minutes.

**July 25, 2012:** At a press conference in Seoul, Kim Young-hwan, a prominent activist for North Korean human rights, claims he was tortured during three months' detention in China.

**July 29, 2012:** Park Sun-young, an ex-lawmaker and human rights activist, claims that some 100 defectors living on Jeju Island alone have gone back to the North this year. MOU denies this, saying the real number of double-defectors is minuscule. It does seem to be increasing however.

**July 30, 2012:** Under KCNA's headline "DPRK Will Take Corresponding Measures against Terrorism," the North's Committee for the Peaceful Reunification of Korea (CPRK) directly threatens "wicked traitor Kim Yong Hwan," whom it also calls a "despicable renegade," and three other named individuals in South Korea as "targets to be punished."

**Aug. 3, 2012:** ROK government source claims that the KPA is realigning some front-line military units, including moving some 50 *Mi-2* and *Mi-4* attack helicopters to its Taetan and Nuchon air bases near the Yellow/West Sea border. This renders them vulnerable, so it is speculated that it was Kim Jong-un's order rather than that of military specialists.

**Aug. 3, 2012:** A delegation from Hyundai Asan is allowed to visit Mount Kumgang to mark the ninth anniversary of the suicide of former Hyundai group chairman Chung Mong-hun.

**Aug. 6, 2012:** A Hyundai Asan executive confirms that North Korea has taken over Hyundai's facilities at the now little-used resort, and says they are "fairly well maintained."

**Aug. 6, 2012:** South Korea's MOU announces that the 51,310 North Korean workers at the joint venture Kaesong Industrial Complex (KIC) would receive their usual 5 percent annual pay hike. This takes the basic monthly wage to \$67.05. [*Yes, that is per MONTH*].

**Aug. 16, 2012:** MOU allows the Korean branch of the Christian relief group World Vision to go to North Korea to discuss possible aid. A 3-person delegation holds talks in Kaesong next day. The ministry notes that so far this year 13 Southern NGOs have given assistance worth a total of 4.1 billion won (\$3.6 million) to the North on 22 occasions.

**Aug. 17, 2012:** ROK Defense Minister Kim Kwan-jin accuses the North of trying to interfere in the South's upcoming presidential election. He does not specify how.

**Aug. 17, 2012:** Moon Jae-in, front-runner to be the liberal opposition Democratic United Party (DUP)'s presidential candidate in December, says that if elected he would seek a third inter-Korean summit and an economic union with North Korea.

**Aug. 18, 2012:** Kim Jong Un visits the artillery unit on Mudo Island which in November 2010 shelled the South's Yeonpyeong Island, killing four. He orders it "to turn the west sea into a graveyard of the invaders" if a single enemy shell lands in DPRK waters. This is one of several visits to the front by Kim ahead of regular annual US-ROK joint military exercises.

**Aug. 20-31, 2012:** *Ulchi Freedom Guardian*, a regular annual computer-based joint ROK-US military exercise, is held as usual. Some 56,000 ROK and some 30,000 US forces participate. DPRK media, as always, claim that this is prelude to an invasion.

**Aug. 21, 2012:** MOU reports that output at Kaesong Industrial Complex (KIC) rose 23 percent year-on-year in the first half of 2012, to \$236 million.

**Aug. 22, 2012:** Park Geun-hye, the presidential candidate of South Korea's ruling Saenuri party, says she will not tolerate security threats but that "various talks" with the North are needed to break the current deadlock.

**Aug. 27, 2012:** MOU sends a letter to Pyongyang urging it to give notice before discharging water from its Hwanggang Dam on the Imjin River, which flows into the South. Since Aug. 17 this has happened several times without warning. In October 2009 the North agreed to give prior notice, after a flash flood caused by such a discharge drowned six Southern campers.

**Aug. 28, 2012:** Two Southern aid NGOs say the North unilaterally cancelled (via fax) talks due next day in Kaesong about potential help for flood victims. Two theories were offered: Northern anger at ongoing US-ROK military exercises, or damage there from Typhoon Bolaven,

**Aug. 29, 2012:** ROK Foreign Minister Kim Sung-hwan tells a forum in Seoul that Kim Jong Un appears firmly in control of North Korea.

**Aug. 29, 2012:** The South's Defense Ministry (MND) conveys a new medium-to-long-term defense plan to President Lee. Its provisions include doubling the Cyber Command's staff to 1,000, upgrading both offensive and defensive capacity as well as a big increase in deployment of surface-to-surface missiles targeting North Korea's nuclear facilities and missile bases.

**Sept. 5, 2012:** The Presidium of the Supreme People's Assembly (SPA), North Korea's rubber-stamp parliament, announces that an unusual second SPA session this year will be held on Sept. 25. There is speculation that economic reforms will be announced.

**Sept. 5, 2012:** Kim Jong Un sends condolences to the family of Unification Church founder Moon Sun-myung, who died on Sept. 3 aged 92. Though anti-communist, the Northern-born Moon met Kim Il Sung and his companies invested in a hotel and auto plant in North Korea.

**Sept. 10, 2012:** Two ROK firms, steelmaker Posco and Hyundai Group, break ground for a 1.5 sq km \$177 million distribution center in Hunchun city in Yanbian Korean Autonomous Prefecture, China. This is just upstream of the DPRK's Rason Special Economic Zone, which it is clearly intended to serve.