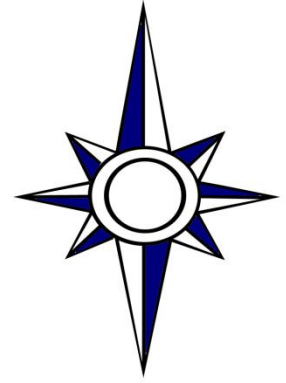


Comparative Connections

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South Korea-North Korea Relations: Picking up the Pieces

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The past quarter in inter-Korean relations might be called the morning after the night before. Tensions over the sunken ROK corvette *Cheonan* by no means disappeared; the less so since North Korea still denied responsibility, while the South smarted at its failure to convince key powers – China and Russia above all – of Pyongyang’s culpability. The *Cheonan* incident remains a crime and an obstacle. Yet hopeful signs are emerging that both sides realize they will have to get past this eventually and that they might as well start now. Among various small initiatives, including flood aid, the quarter ended on a hopeful note with an agreement to hold a fresh round of reunions of separated families in late October.

Pyongyang gets away with it

Having determined by mid-May that a DPRK torpedo sank the ROK corvette *Cheonan* on March 26, South Korea spent much of the summer seeking to convince others of this and trying to work out how to respond appropriately and effectively. Neither has proved a signal success. Skepticism began at home, and remains; inadvertently fanned by official strategy immediately after the sinking when Seoul for whatever reason (perhaps to calm the markets) played down any idea of North Korean responsibility. That vacuum allowed all kinds of conspiracy theories to swirl around South Korea’s fetid and introverted blogosphere.

With hindsight one can posit two further tactical errors by Seoul, both connected to the Joint Investigation Group (JIG), which probed the sinking. It was wise to include foreign experts – but wiser had they not all been from Western countries, either staunch allies (the US, UK, Canada, Australia) or otherwise friendly (Sweden). If the panel had included Russian and/or Chinese representatives, this would have made it harder for Moscow and Beijing to profess skepticism. Second, it is unclear why only a brief summary of the JIG report was released at first, with the full document not published until Sept. 13, almost four months later. By then, positions were entrenched and minds made up; few if any will change their view now.

This is not the place to chew the *Cheonan* cud in full. The technical aspects are complex, the politics scarcely less so. There are precedents for past ROK governments staging supposed DPRK provocations, in at least one case with Pyongyang’s complicity – a show of force at the DMZ in April 1996, which scared Southern electors into voting for the Right soon after, was later revealed as having been cooked up between both sides’ intelligence services. Since the Iraq war, it would be naïve to doubt our governments’ readiness to lie, or at least (in a phrase now notorious in Britain) to “sex up the dossier.” Might Seoul have been thus tempted? At the very least there were what the conservative Seoul daily *Choson Ilbo* on Sept. 10 trenchantly

characterized as the ROK military's "little fibs and evasions to cover up its own incompetence" in the early aftermath of the sinking, which "squandered any public trust."

Full-blown conspiracy theories, by contrast, strain credulity. (A range of them can be read at www.Japanfocus.org.) If the *Cheonan* had been sunk by "friendly fire" from a US warship, it is inconceivable that such a cover-up could hold in today's media-saturated and leaky world. Or if it hit a mine or had some other accident, the ROK government had no motive to deny this and blame the North. Unlike President Kim Young-sam in 1996, President Lee Myung-bak had nothing to gain by fomenting a crisis with Pyongyang, and much to lose. By contrast, Kim Jong-il (or others) had several good reasons to show Lee sharply that he ignores the DPRK at his peril.

But back to the ripples. South Korea's strong support from its Western allies regarding the *Cheonan* was not matched elsewhere in the world. As was surely predictable, both China and Russia professed uncertainty. The latter sent its team of experts, whose report has not been published and seems unlikely to be. That silence too has fed the rumor mill, with some unexpected backwash. In a much-criticised article on Aug. 31, even a well-respected establishment figure like Donald Gregg cited Russian sources to cast doubt on Seoul's version of events.

Off-message

If Gregg's going off-message was a shock, the same can hardly be said of China's wholly foreseeable skepticism. Knowing Beijing's general line of propping up Kim Jong-il, South Korea surely cannot have expected any different. If it did, then one must question the quality of thinking in the Ministry of Foreign Affairs and Trade (MOFAT), itself currently leaderless (Foreign Minister Yu Myung-hwan quit on Sept. 4 when it was learned that rules were rigged to get his daughter a job at the Ministry).

July thus saw Seoul struggle to salvage what it could diplomatically. Both the UN Security Council and the ASEAN Regional Forum (ARF) in Hanoi produced convoluted statements, mentioning the JIG findings while avoiding pointing the finger directly at Pyongyang. The latter's envoy to the UN, Sin Son-ho, hailed the UNSC statement as "our great diplomatic victory." South Korea too professed itself satisfied – to do otherwise would be to admit defeat. But the strain showed when Foreign Minister Yu in Hanoi lost his patience with domestic *Cheonan* doubters, suggesting they go and live in North Korea if they like it so much. A similar verbal fudge looked likely at the 8th Asia-Europe (ASEM) summit in Brussels. The DPRK is not a member of ASEM, but as ever China was there to fight in Kim Jong-il's corner.

If rallying the world behind South Korea's version of events was hard, crafting an effective policy response proved no easier. Some show of force was deemed necessary, so the summer saw a whole series of war games, with one-off exercises – both solo and jointly with the US – interspersed among such regular annual military exercises as *Ulchi Freedom Guardian*. The force of all this was blunted, however, when China took strong exception to joint US-ROK naval exercises being held in the Yellow Sea, now apparently redefined as Chinese coastal waters, as Ralph Cossa noted in *PacNet #37* on Aug. 23. This compelled the allies to relocate their main joint exercise to the east rather than the west of the peninsula, a shade ignominiously.

In any case, sabre-rattling can only take you so far and risks scaring the markets. On other fronts too South Korea has struggled to hew to a clear or consistent path, notably regarding economic sanctions. Seoul's headline response was and is a ban on trade with North Korea. As President Lee put it, exchange with the North is now "meaningless." But the headline was all along highly misleading since from the start it exempted the joint venture Kaesong Industrial Zone (KIZ), which even before the "ban" accounted for most inter-Korean trade.

Own goal?

At one level it is a relief that even at the height of tension in late May neither side wanted to burn their bridges completely by letting the KIZ go under, which seemed a real possibility at the time. Yet the result is a gap between Lee's rhetoric and reality, not to mention an arbitrary picking of winners and losers among South Korean small and medium enterprises (SMEs) that have taken what is always the risk of dealing with the North. The losers are 700-odd firms who were operating outside Kaesong, many of whom had goods made in the DPRK (so-called processing on commission or POC).

It is their trade that has been halted in its tracks, with a brief initial exemption (after they protested) for goods already contracted and in the pipeline. Despite modest compensation by the government, a survey of 164 of them in September by the Korea Chamber of Commerce & Industry (KCCI) found that 94 percent had suffered losses (averaging \$826,000) since Seoul's ban on trade with North Korea. Fully two-thirds estimate that the damage is serious enough to put them out of business for good. Their DPRK partners may have fared better; reports suggest many soon replaced their ROK customers with new orders from China.

By contrast, the 120 or so ROK companies invested in the KIZ are sitting relatively pretty – though hassled in the past by arbitrary border closures when Pyongyang wanted to make a point. After a period of demanding absurdly large wage increases, the North recently settled for the usual 5 percent. So now KIZ investors' main gripe is with their own government. In another piece of gesture politics, after May, the ROK halved the number of South Koreans allowed to stay overnight in the KIZ from 1,000 to 500. The reason cited, considerations of safety, makes no sense. Were Kim Jong-il so minded, he could hold 500 Southerners hostage as easily as 1,000. The companies have complained ever since that the restriction harms their operations and by degrees the government is relenting. So much for tough sanctions.

For all practical purposes it is business as usual at Kaesong after all. One may be glad of that, but it makes palpable nonsense of President Lee's professed post-*Cheonan* policy. Indeed, continuing his strange habit of announcing hypothetical policy initiatives involving North Korea while visiting Russia (remember last year's gas pipeline, of which predictably no more has been heard since), on Sept. 10 Lee suggested that South Korea could in principle set up another zone like the KIZ – if the North first apologizes for the *Cheonan*.

Signs of a thaw

Apology or no, a mini-thaw is now under way in North-South relations. Like last summer, when Kim Dae-jung's death opened a window of what turned out to be short-lived dialogue with a high-level Northern visit to Seoul, unpredictable events lent a hand. Maybe that is the wrong adjective, as weather patterns and the vulnerability of the DPRK's badly deforested terrain render it prey to serious flood damage pretty much every year nowadays.

After the northern part of the Korean Peninsula took a battering from severe storms, on Aug. 31 the South's Red Cross offered aid worth 10 billion *won* (\$8.4 million). It had in mind emergency supplies; medical kits, food rations and the like. Replying on Sept. 4, its Northern counterpart asked instead for rice, cement, and heavy construction machinery. This put Seoul on the spot, as no doubt Pyongyang intended. South Korea used to send half a million tons of rice annually (as a loan, in theory); but none has gone North since President Lee took office early in 2008. That will now change. On Sept. 13 North Korea accepted a revised Southern aid package, to include 5,000 tons of rice and 10,000 tons of cement – but no machinery, since this could be put to military uses. The aid is due to be sent in late October.

By then other irons were in the fire too. One potential obstacle, the North's detention of a Southern squid boat (whose crew included four Chinese) since Aug. 8 for violating DPRK east coast waters was eased when boat and crew were released without charge on Sept. 7.

On Sept. 10, in the midst of their talks about aid, the DPRK Red Cross suggested holding fresh reunions of separated families to coincide with Chuseok – the Korean harvest festival, which this year fell on Sept. 22. The South responded positively, though it regarded the proposed date as too short notice. So it proved, the more so as agreement was delayed by a row over the venue. This is normally the Mt. Kumgang resort, where regular tours have now been suspended for over two years since a Southern tourist was shot dead there in July 2008.

In its fury at Seoul's steadfast refusal to resume regular tourism unless it was allowed to send a team to probe Park Wang-ja's death, Pyongyang earlier this year confiscated Southern assets (private and public) at Mt. Kumgang. These include a brand-new family reunion center built by the South – which it naturally insisted be used this time. At first the North refused to agree to this unless regular tourism was resumed, raising fears that the reunions might not go ahead. In a hopeful sign, however, a compromise was found – the North yielded and the reunions will now be held at Mt. Kumgang for a week commencing Oct. 30. A few days earlier, at Seoul's request, the two sides will meet to discuss holding these events on a regular schedule as opposed to ad hoc. As often noted here before, at the current snail's pace most of the elderly persons involved will die, as many already have, without ever seeing their long-lost kin again.

For the concession on venue, Pyongyang will expect some *quid pro quo*. It has asked for talks on resuming regular tourism. At this writing developments are ongoing, but on Oct. 4 Unification Minister Hyun In-taek – in Germany for the 20th anniversary of reunification – said the North must change its stance on the *Cheonan* if it wants the South to consider resuming cross-border tourism. That linkage will not be a welcome one in Pyongyang. Let us hope any predictable wrath does not put paid to the upcoming family reunions.

Enter the young general

Meanwhile far weightier events were taking place in Pyongyang. As widely predicted and reported, an overdue delegates' meeting of the ruling Workers' Party of Korea (WPK), scheduled for early September, was finally held on Sept. 28. At long last Kim Jong-il's third son and heir Kim Jong-un was unveiled to the world, as a four-star general – nice work, for a lad aged no more than 28: one wonders what the real generals think – and holding a key party post as co-vice-chair of the Central Military Commission (CMC). A few days later, father and son watched an artillery display along with another equally implausible new general, the dear leader's sister Kim Kyong-hui, who knows more about textiles than guns.

In conclusion, while as of early October inter-Korean ties look to be on a slight upswing, this is even more fragile than usual, dependent as it is on unpredictable wider political processes. No one can yet know whether the DPRK's implausible succession plan will succeed. If as reputed Kim Jong-un is headstrong, he may be keener to roil the waters once more than to promote calm seas. Indeed, one theory of the *Cheonan* was that it was his idea or someone acting on his behalf. As President Lee prepares to welcome the leaders of the G20 to Seoul in November, he must hope that Pyongyang will resist this prime opportunity for further provocation. Cynics might even suggest that this gives Lee an incentive to cut a deal.

Chronology of North Korea-South Korea Relations July – September 2010

July 1, 2010: A Unification Ministry (MOU) official says ROK port officials are inspecting cargoes from third countries to ensure that no DPRK goods enter the country. The week-long inspection covers Incheon, Busan, Pyeongtaek and Gunsan.

July 1, 2010: Seoul Central District Court sentences two Northern spies, who entered the South in the guise of refugees, to 10 years in jail each for plotting to assassinate the senior DPRK defector Hwang Jang-yop. Both pleaded guilty and cooperated with the investigation.

July 1, 2010: The DPRK's Committee for the Peaceful Reunification of Korea (CPRK) attacks the US-ROK agreement to delay the transfer of wartime operational control (OpCon) from Washington to Seoul for over three years from April 2012 to Dec. 2015 as “a provocative act of driving the two Koreas to an all-out war.”

July 2, 2010: The CPRK threatens “stern retaliatory measures” after South Korea's National Assembly (NA) on June 29 passes a resolution demanding strong measures to punish the North for sinking the ROK corvette *Cheonan* on March 26.

July 2, 2010: Two buses carrying Northern workers to and from the joint venture Kaesong Industrial Zone (KIZ) collide in heavy rain. ROK sources only report this on July 7. They estimate that at least 10 were killed and 36 injured. No South Koreans were involved.

July 6, 2010: North Korea's Foreign Ministry (MFA) again refuses a proposal by the US-led UN Command (UNC) to discuss the *Cheonan* at the Military Armistice Commission, saying this is a bid to deflect the North's demand to send its own inspection team.

July 6, 2010: Korea Development Institute (KDI) forecasts that the DPRK economy will shrink further this year as heightened tensions with Seoul hurt inter-Korean trade. Meanwhile in January-May DPRK-China trade was up 18 percent over last year.

July 7, 2010: North Korea's Committee for the Peaceful Reunification of the Fatherland (CPRF) threatens a "death-defying war," should the UN Security Council (UNSC) adopt any statement blaming Pyongyang for sinking the *Cheonan*.

July 9, 2010: The UNSC adopts a Presidential Statement on the *Cheonan*, which avoids directly condemning North Korea.

July 9, 2010: MOU permits two NGOs to send baby food (powdered milk) to the North, worth \$490,000. A dozen such aid shipments have been formally approved since the *Cheonan*, but Southern relief groups complain that MOU's attitude is obstructive.

July 10, 2010: Despite earlier threats, Pyongyang reacts mildly to the UNSC statement. MFA reiterates its willingness to resume the nuclear Six-Party Talks (6PT).

July 12, 2010: CPRF chides ROK Unification Minister Hyun In-taek for "reckless remarks" after he told a business forum in Incheon on July 8 that Pyongyang has made "three major mistakes": cold-shouldering the South's offer to help rebuild its economy, taking a hardline approach to the new US government, and failing to understand its own economic condition.

July 12, 2010: Rev. Han Sang-ryeol, a radical South Korean priest on an unauthorized visit to the North since June 12, meets members of the North Headquarters of the Pan-National Alliance of Youth and Students for Korea's Reunification (Pomminyong) in Pyongyang.

July 13, 2010: Standard & Poor's (S&P) tells *Yonhap* that in assessing South Korea's sovereign credit ratings it weights the North Korea risk factor more heavily now than it did a decade ago.

July 15, 2010: *Yonhap* reports that Hyundai Asan has cut 70 percent of its employees and lost sales worth \$252 million in the two years since Seoul suspended its tours to Mt. Kumgang resort.

July 15, 2010: Meeting at Panmunjom, Colonels Pak Ki-yong of the Korean People's Army (KPA) and Kurt Taylor of the UNC agree in principle to hold general-level talks about the *Cheonan*. These would be the first KPA-UNC talks at this level since March 2009.

July 17, 2010: MOU's weekly newsletter notes that Pyongyang appears to be gearing up to launch a diplomatic offensive to ease tensions on the peninsula.

July 18, 2010: North Korea notifies the South that it may discharge water from a dam on the Imjin River, for flood control reasons. It duly does so the next day.

July 20, 2010: MOU reports that at 6,953 tons, the volume of goods entering the South from the KIZ in June is hardly changed from May's figure of 7,004 tons, despite Seoul's sanctions over the *Cheonan*. Total volume for the first half of 2010 almost doubled from last year.

July 20, 2010: The UNC formally notifies North Korea of joint US-ROK naval exercises to be held on July 25. *Minju Joson*, daily paper of the DPRK government, at once denounces these as "very dangerous sabre-rattling."

July 21, 2010: In a rare "2 + 2" meeting of both their foreign and defense ministers in Seoul, South Korea and the US warn Pyongyang of "serious consequences" in the event of any new provocations and call on it to show "genuine will for denuclearisation."

July 22, 2010: Pyongyang again warns Seoul of a discharge from one of its dams.

July 23, 2010: In Hanoi Ri Tong-il, spokesman of the DPRK delegation to the ASEAN Regional Forum (ARF), warns of "a physical response" to the imminent *Invincible Spirit* joint US-ROK naval maneuvers. The same day *Rodong Sinmun* warns that "if the US provokes another war, it will only be corpses and graves that it will be presented with."

July 23, 2010: UNC and KPA colonels meet again at Panmunjom. The former proposes a joint assessment group over the *Cheonan*, while the latter reiterates its demand that South Korea must allow in a 30-man team from its National Defense Committee (NDC) to visit to probe the case.

July 24, 2010: Both MFA and the NDC castigate the upcoming ROK-US military exercises. NDC warns of "a retaliatory sacred war." The exercises proceed without incident.

July 24, 2010: The ARF meeting in Hanoi expresses "deep concern" over the *Cheonan* incident but does not identify North Korea as culpable. ROK Foreign Minister Yu Myung-hwan professes satisfaction. His DPRK counterpart Pak Eui-chun accuses Seoul of "making life difficult for us" economically, at a time when "more than ever, we need stability".

July 26, 2010: MOU says Seoul will provide \$50 million in low-interest loans to small and medium enterprises (SMEs) hit by its post-*Cheonan* ban on inter-Korean trade outside the KIZ.

July 30, 2010: ROK firms operating in the KIZ say they have accepted DPRK demands for a 5 percent pay rise for their Northern workforce, effective Aug. 1. This will raise basic pay from \$57.88 to \$60.78 monthly.

July 30, 2010: UNC and KPA colonels hold their third meeting in Panmunjom.

Aug. 1, 2010: Sources in Seoul claim Pyongyang has suffered little from the South's ban on processing-on-commission (POC) trade, having found new Chinese partners instead.

Aug. 2, 2010: MOU refuses to let the Korea NGO Council for Cooperation with North Korea, an umbrella body of over 50 Southern aid donors, visit the North, saying such a trip is inappropriate at this time.

Aug. 3, 2010: MOU reports prices of food and consumer goods in North Korea surged several-fold during February to July as a continuing effect of December's botched currency reform.

Aug. 5, 2010: Following joint US-ROK exercises in the East Sea, South Korea holds its own five-day naval maneuvers in the West (Yellow) sea. On Aug. 9 North Korea fires over 100 artillery rounds near the marine border, where the ROK war games were held.

Aug. 5, 2010: *KCNA* reports that recent flash floods affected 5,560 houses and 350 public buildings while inundating 14,850 hectares of farmland.

Aug. 6, 2010: ROK Customs data show inter-Korean trade in June totaling \$123 million, down 21 percent from May and 32 percent from April. Compared to April, Southern exports of \$56.88 million in June were down 27 percent, while imports decreased 36.5 percent to \$66.18 million.

Aug. 7, 2010: President Lee Myung-bak reshuffles his Cabinet. Against some expectations, the incumbent defense, unification, and foreign ministers all retain their posts.

Aug. 8, 2010: North Korea seizes a 41-ton South Korean squid boat, the *Daeseung 55*, with four ROK and three Chinese crew members, apparently for fishing within its exclusive economic zone (EEZ) off the east coast.

August 9, 2010: DPRK fires some 130 rounds of artillery into the Yellow Sea near its border with the South.

Aug. 10, 2010: *Yonhap* reports that the DPRK website *Uriminzokkiri* has put up 10 video clips on YouTube since registering on July 14. It remains illegal in South Korea to view this or any other DPRK media or website. By Aug. 18 total DPRK clips posted exceed 100.

Aug. 10, 2010: A fourth round of UNC-KPA talks at Panmunjom ends without progress.

Aug. 12, 2010: North Korea launches a Twitter account. The Korea Communications Commission (KCC) blocks access to it, while MOU warns that South Korean netizens seeking to reply or 'retweet' risk punishment.

Aug. 15, 2010: On the eve of the regular annual *Ulchi Freedom Guardian* (UFG) joint US-ROK war games, *KCNA* quotes the KPA General Staff as warning "Our military's reaction will be the worst punishment anyone has ever experienced ... our military and people will wield the iron hammer of a merciless response."

Aug. 15, 2010: In his Liberation Day speech, President Lee proposes a three-stage plan – first a peace community, then an economic community, and finally a national community – for reunification, plus a new tax to pay for it.

Aug. 17, 2010: In the first such trip permitted by Seoul in the three months since it brought in sanctions over the *Cheonan*, five South Koreans, including a doctor, cross the border to deliver anti-malaria kits worth \$340,000 to Kaesong city.

Aug. 19, 2010: Eleven days after seizing the *Daeseung 55*, North Korea confirms that it is holding the South's fishing vessel, which it says intruded into DPRK waters.

Aug. 20, 2010: Rev. Han Sang-ryeol returns to South Korea via Panmunjom, after over two months in the North. He is at once arrested for visiting North Korea without authorization.

Aug. 22, 2010: ROK data show that inter-Korean trade in July rose 32 percent over June, totaling \$162 million.

Aug. 24, 2010: *Yonhap* reports that North Korea's Facebook page has been deleted, under company rules which forbid platform access to operators in countries under US embargo.

Aug. 26, 2010: Kim Jong-il makes a sudden trip to China, his second in four months. He visits several cities in the northeast, meeting President Hu Jintao in Changchun.

Aug. 27, 2010: A nine-strong pan-religious ROK delegation, representing five major faiths, crosses the border in 12 trucks to deliver 300 tons of flour worth \$209,000 to the North.

Aug. 30, 2010: North Korea condemns the South for blocking access to its websites: "The traitor's group is trying in vain to shut the eyes and ears of the South Korean people with the fascist National Security Law, running counter to the era of information."

Aug. 30, 2010: *Rodong Sinmun* criticises upcoming US-ROK anti-submarine drills in the West (Yellow) Sea: "Our military and people are prepared with combat readiness to crush even thousands of foes in a single blow."

Aug. 31, 2010: South Korea's Red Cross offers aid worth 10 billion won (\$8.4 million) – medical kits, food and emergency supplies – to help North Korea after its recent floods.

Sept. 4, 2010: MOU says that 155 out of 713 ROK companies trading with the DPRK in the past year have applied for low-interest zones to compensate for Seoul's ban on trade. So far 66 firms have been lent a total of \$14.8 million.

Sept. 4, 2010: *Rodong Sinmun* attacks President Lee's proposed unification tax as an "intolerable politically motivated provocation" against the North.

Sept. 4, 2010: North and South Hamgyong and Kangwon provinces, plus Rason special city, hold Party meetings to choose delegates to the upcoming WPK Conference. Similar local-level meetings follow in other cities and provinces.

Sept. 7, 2010: North Korea releases the Southern squid boat *Daeseung 55* and its crew of seven on humanitarian grounds. They sail back to Sokcho port.

Sept. 8, 2010: In a speech marking the 62nd anniversary of the founding of the DPRK, Kim Yong-nam, its titular head of state, calls for better ties between the two Koreas based on the spirit of the two previous inter-Korean summits.

Sept. 10, 2010: On a visit to Moscow, President Lee says that he is open to the idea of a second joint zone like the KIZ, depending on Pyongyang's attitude. He also says that better inter-Korean ties "may or may not come quickly," and that Kim Jong-un "is not my counterpart."

Sept. 13, 2010: MOU says that North Korea has agreed to the South's suggestion of talks towards family reunions, to be held in Kaesong on Sept. 17. It has also accepted the ROK Red Cross's revised aid package, to include 5,000 tons of rice and 10,000 tons of cement.

Sept. 13, 2010: The ROK Defense Ministry (MND) releases the full investigative report into the *Cheonan's* sinking.

Sept. 14, 2010: Three Southern NGOs announce plans to send a total of 530 tons of flour as emergency aid overland to North Korea on Sept. 16, and duly do so.

Sept. 14, 2010: An ROK official says Seoul will soon ease the cap on the number of South Koreans allowed to stay overnight at the KIZ, from 600 to 900, as requested by Southern companies invested in the joint venture zone.

Sept. 16, 2010: KPA and UNC colonels hold a fifth round of talks at Panmunjom.

Sept. 17, 2010: At talks in Kaesong, the two Koreas' Red Crosses agree to hold reunions of separated families at Mount Kumgang during Oct. 21-27.

Sept. 19, 2010: A military source tells *Yonhap* that North Korea has deployed an extra 200 240mm multi-rocket launchers along the DMZ over the past year. These now total 5,300.

Sept. 21, 2010: *KCNA* declares that the overdue Party conference will be held on Sept. 28.

Sept. 21, 2010: *Rodong Sinmun* attacks upcoming planned joint US-ROK submarine drills. These had been due on Sept. 5-9, but were postponed because of a typhoon.

Sept. 23, 2010: Three key DPRK diplomats are promoted. First Vice Foreign Minister Kang Sok-ju becomes one of several vice-premiers. He is replaced by Kim Kye-gwan, North Korea's chief delegate to the Six Party Talks. Ri Yong-ho, Kim's deputy – not to be confused with the Chief of the KPA General Staff of the same name – becomes a vice foreign minister.

Sept. 26, 2010: MOU says that the South's rice aid will go by ship from Gunsan to Sinuiju on Oct. 25. Cement, instant noodles (3 million packs), medical aid and more will follow.

Sept. 27, 2010: On the eve of a long-awaited Party meeting, Kim Jong-il's hitherto unseen and unmentioned third son and heir Kim Jong-un is named a 4-star general at age 27 (approx). His aunt Kim Kyong-hui, a light industry specialist, is similarly promoted.

Sept. 28, 2010: At the long-awaited WPK conference Kim Jong-un is named as a member of the WPK Central Committee and (crucially) as joint vice chairman of its Central Military Commission (CMC).

Sept. 29, 2010: DPRK media show Kim Jong-un's image for the first time, briefly and as part of group shots. He would appear to have given up basketball, the passion of his youth.

Sept. 29, 2010: Korea International Trade Association (KITA), a private sector body based in Seoul, reports soaring first half inter-Korean trade. In January-June South Korean exports to the North were up 63 percent year-on-year to \$430 million, while imports rose 43 percent to \$550 million. In the same period the DPRK's \$1.28 billion worth of trade with China as usual exceeded the inter-Korean trade total of \$980 million.

Oct. 1, 2010: At a third meeting the two Koreas agree to hold family reunions at Mt. Kumgang during Oct. 30-Nov. 5. They will also meet Oct. 26-27 to discuss a regular program of reunions.

Oct. 1, 2010: The Koreas hold their first direct military talks (colonel level) in two years. These founder on the wreck of the *Cheonan*. The South insists on an apology, while the North still demands to send its own inspectors to examine the wreckage.

Oct. 2, 2010: North Korea proposes working-level talks on Oct. 15 to discuss ways to restart regular tourism to Mt. Kumgang.

Oct. 4, 2010: Unification Minister Hyun In-taek says North Korea must change its stance on the *Cheonan* if it wants the South to consider resuming cross-border tourism.