

## OCTOBER UPDATE

As we head toward the fourth round of six-party talks, there have been many bilateral contacts and related issues in the news during October. North Korea announced its intention to return to the Beijing talks, and Russian and Chinese sources announced that the talks are to reopen on November 7. Several events this month may foreshadow the results of the next meeting.

### **DPRK-Japan**

North Korea and Japan have agreed to hold bilateral talks starting November 3. They are expected to be two days long and cover a variety of issues. Japan is adamant that one of those issues be the abduction of Japanese nationals, a point of contention between the two during the last six-party talks.

### **ROK-Japan**

While Prime Minister Koizumi's visit to the Yasukuni Shrine on October 17 caused an uproar in both Koreas and in China, Foreign Affairs Minister Ban Ki-moon kept his appointment with his Japanese counterpart from October 27-29. Initially canceling the meeting as a response to Koizumi's visit, it was put back on the schedule as the South Korean government announced that it recognized the need to maintain high-level communication between the two countries. However, Ban did tell the Japanese press that there would be no more summits if Koizumi continues to visit the shrine.

### **ROK-Russia**

South Korea has announced an effort to deepen friendly ties with Moscow and work together to

denuclearize the Korean peninsula. Russian President Vladimir Putin responded with a message to Seoul stating his satisfaction with the cooperation between the two countries, stressing the need for a partnership.

### **U.S.-ROK**

Amid deepening concerns in Washington over the nature of the anti-American sentiment building in South Korea, both sides have insisted that relations are not in jeopardy and that they are on the same page regarding six-party talks. U.S. chief negotiator Christopher Hill arrived in Seoul on October 30 as part of a whirlwind of diplomatic contacts to ensure solidarity at the upcoming talks. He met with ROK counterpart Song Min-soo to discuss the North's nuclear issue. This was after having met with his Chinese counterpart Li Bin two days earlier in Hawaii, a meeting that was followed on Saturday by discussions in Seoul between Li Bin and Song Min-soo, and on October 31 Hill was off to Japan.

### **U.S.-DPRK**

Hopes for building trust between the two took a dip this month when Washington announced that it suspects North Korea is involved with the Irish Republican Army. The connection was in regard to 'supernotes', or counterfeit U.S. one-hundred-dollar bills. While it is not breaking news that the North is suspected of distributing counterfeit U.S. currency, this direct link with a terrorist organization will help U.S. hardliners push to keep the North on Washington's list of terrorist-sponsoring states, which could severely limit the possibility of U.S. or international development funding. In addition, the U.S. targeted on October 21 eight North Korean companies suspected of being fronts used by the North for the sale of biological and nuclear weapons and missile technology, freezing all assets under U.S. jurisdiction and preventing dealings with any U.S. companies. On a military note, General Burwell Bell, nominated to head up U.S. Forces Korea, testified at a Senate hearing that North Korea was a serious threat to

the Asia Pacific region and was developing ballistic missiles capable of reaching the continental United States.

The North has notched up the rhetoric this month, a fairly standard negotiating technique but worth noting nonetheless. The North stated that the U.S. accusation of counterfeiting was a move to impose sanctions in an effort to force denuclearization without compensation, calling the U.S. to account for “creating a much harsher atmosphere than before,” and on October 29 the [North] Korean Central News Agency lashed out, threatening that U.S. actions were “little short of annulling the statement” signed by all six parties at the conclusion of the fourth round of six-party talks.

On a more positive note, New Mexico Governor Bill Richardson returned from his trip to Pyongyang with news that North Korea seemed to be showing some flexibility on the demand for a light water reactor. The North’s demand for a reactor upfront, as a sign of U.S. sincerity, was not well received in Washington and is expected to be a sticking point next month. This was Richardson’s fifth visit to the North, and he is said to be well received there.

## **PRC-DPRK**

Chinese Vice Premier Wu Yi met with Kim Jong Il, coinciding with the celebrations around the Arirang festival and the 60th anniversary of the Korean Workers’ Party. The details of the four days of meetings were not made public but are expected to have focused on the North’s nuclear program and the upcoming talks. China is expected to push the North to honor the previous agreement in return for more Chinese aid. President Hu Jin Tao also arrived in Pyongyang for a three day visit on October 28, almost immediately receiving conformation from Kim Jong Il that the North intends to return to six-party talks as planned. It was the first visit by a Chinese president since 2001.

## **ROK-DPRK-Japan**

A monument removed from Korea during the Japanese occupation of the peninsula was returned on October 20. The two Koreas reached an agreement in June regarding the return of the 'monument for great victory in Pukkwon' and jointly pushed for its return.

## **ROK-DPRK**

Relations between the two Koreas showed movement on several levels this month. South Korean Red Cross President Han Wan-sang said in a press conference on October 26 that the family reunion center currently under construction at the Mount Kumgang resort would serve as a headquarters for correspondence between divided families, continued searches for lost family members, and for organizing homecomings. Homecomings have so far not been allowed.

South Korea recently repatriated the remains of a North Korean spy, infuriating the family members of South Koreans still held in the North. The Unification Ministry confirmed in an announcement that twenty-one South Koreans are still being held in the North, ten POWs and eleven abductees, and that ten abductees and six POWs have died.

North Korea's chief delegate to inter-Korean talks from 1990-1992 died on October 22. ROK Unification Minister Chung Dong Young sent an official message of condolence, reading, "Yon has contributed much to the joint declaration for the denuclearization of the Korean Peninsula."

The unification minister announced on October 25 that the rumors of ROK constitutional change were unfounded. There had been whispers of changing the constitution in preparation for unification, but Chung dismissed both them and rumors of an inter-Korean summit early next year. He added that the South Korean government does not wish for the collapse of North Korea.

Approximately 1,600 South Korean students will head to North Korea for pro-unification events sponsored by a South Korean civic group. The students, traveling in two groups (October 28-30 and November 4-6) will visit Mount Kumgang.

Other tours to Mount Kumgang are not as definite. Since cutting the number of tourists allowed by half in response to Hyundai Asan's dismissal of former vice-chairman Kim Yoon-Kyu on charges of embezzlement, the North has refused meetings with Hyundai officials and questioned the future of the projects both there and in Kaesong. Kim's refusal to admit to where the funds went and Pyongyang's reaction to his dismissal raise questions of under-the-table dealings between the two. However, in trying to find a new partner, the conglomerate Lotte rejected Pyongyang's offer to take over the Kaesong tours, citing Hyundai's current involvement and the undeveloped political relations. Not long after this, Pyongyang stated that it would meet with Hyundai officials in order to repair the relationship.

The first ROK-DPRK joint government office opened on October 28 in the Kaesong Industrial Complex. Fourteen ROK officials and ten DPRK officials from various ministries are to take up offices there. This is the first South Korean governmental representation in North Korea.

### **DPRK Military**

Less than a month before the nuclear disarmament talks are to reopen, the North announced its intention to carry on with its military-first policy. Stating that "The military-first politics is a great banner that the Workers' Party of Korea has consistently maintained throughout the entire path of its sacred history," the DPRK's number-two man, Kim Yong-nam, promoted the policy and credited it for getting the country through the especially difficult previous decade. Kim also went on to say that all efforts in the future should focus on strengthening the army and developing the military-industrial complex.

An ROK Ministry of Defense release on October 11 estimated that the North had spent \$10 million on military hardware from China and Russia in 2004. North Korea was said to have imported truck, ship engine, and warship components. The report also alluded to the fact that Pyongyang was beefing up the nation's air defenses by deploying missiles around the country.

### **Human Rights**

The mood in South Korea seems to be shifting as some legislators are criticizing the current government's 'silent diplomacy' and insisting on addressing POW and abductee issues along with North Korean defector and human rights concerns. Grand National Party legislator Kang Jae-up wants to see North Korean human rights addressed at the APEC summit slated for mid November in Busan, South Korea.

Chinese policy on North Korean defectors became more clouded this month as news emerged on October 10 that seven defectors who had entered an ROK international school on August 29 were repatriated to the North, and on October 11 eight defectors entering a different ROK international school were turned over to South Korean authorities for transfer to Seoul. Another group of thirteen defectors entered the same school on October 28 and their fate is being negotiated.

A U.S. congressional commission issued a report on October 11 criticizing Chinese policy of treating North Korean defectors as illegal economic migrants rather than as refugees. Interestingly, however, following the passage of the North Korean Human Rights Act in Washington last year, the U.S. has denied entry to fully 100 percent of the DPRK defector applicants.

## **DPRK Economy**

The Korea International Trade Association announced this month that sand imports from North Korea from January-September have increased 1,321 percent over last year. The increase was attributed to the inter-Korean agreement to shorten the shipping route between Incheon and Haeju. Overall inter-Korean trade during this period rose 60 percent to 788.5 million dollars.

A new inter-Korean economic zone has been proposed by South Korea's Grand National Party. The proposed zone would span the border, connecting the Kaesong Industrial Complex with the South Korean city of Paju. Also proposed was a tourist zone that would extend the Mount Kumgang tourism zone to South Korea's Mount Sorak.

Working level talks were held in Kaesong to set the groundwork for the next round of economic cooperation talks. The talks, opening on November 1, will be the first to have a pre-agreed agenda. One proposal from the North asks South Korea to supply enough supplies to clothe, shoe, and bathe (raw materials for 60 million pairs of shoes, 2 million suits, and 200 million bars of soap) in return for allowing the South mining rights in the North. The South would be required to supply all mining equipment, making this less of an economic cooperation package and more a call for further aid.

## **DPRK Nutrition**

Pyongyang announced this month that the country's crop yields this year will hit 4.8 million tons, more than half a million tons more than last year. It is estimated that the North's required crop yield is 6.45 million tons, meaning they will still fall far short of what is necessary. UNICEF warned on October 10 that as many as 40,000 North Korean children are at risk of dying due to malnutrition this year. That did not prevent North Korea from returning to a national ration system and the barring of cereal sales at markets starting October 1. Though the

economic reform measures of July 2002 had signaled North Korea's possible intention to gradually open up and reform its economy, this latest move seems a step backward.

### **Cultural Homestay International**

The American non-profit organization Cultural Homestay International has not yet formalized plans, but has been trying to connect with North Korea through their UN delegation in New York in order to bring together American, South Korean, and North Korean high school students for a camp in America. The group is willing to offer an all-expense-paid opportunity, and allowing the DPRK government to select the students.