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North-South Korean Relations: A Chronology of the “New” Dialogue

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North-South Korean Relations: A Chronology of the “New” Dialogue

Summary

This report chronicles major developments in the thaw between North and South Korea that followed the historic inter-Korean summit meeting in June 2000. In the months that followed the summit, the two Koreas developed a new dialogue, which included several inter-ministerial talks, a meeting of defense ministers, talks on economic cooperation, and family reunions. The sheer breadth and depth of the dialogue indicates to some analysts that Seoul and Pyongyang are trying in earnest to regularize and institutionalize the rapprochement, in contrast to previously ephemeral thaws in 1972, 1985 and the early 1990s. There have been several setbacks, however, leading many critics to wonder whether North Korea’s diplomatic outreach is merely a tactic to obtain economic assistance and reduce the U.S. troop presence in South Korea.

Inter-Korean diplomacy has effectively come to a halt since the March 7, 2001 summit between Presidents Bush and Kim. At their meeting, President Bush reiterated that his administration, which is conducting a review of U.S. policy toward Pyongyang, is likely to insist on more reciprocity from North Korea in terms of Pyongyang’s nuclear and missile programs and its conventional forces. Following the Bush-Kim summit, North Korea cancelled scheduled inter-ministerial talks and Red Cross talks. It also rejected a South Korean proposal to field inter-Korean ping pong team for the World Table Tennis Championships in Japan in late April 2001. Also, North Korean leader Kim Jong-il’s trip to Seoul appears unlikely to occur in the first half of 2001.

This report will be updated periodically.

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North-South Korean Relations: A Chronology of the “New” Dialogue

Background

The Historic June 2000 Summit. On June 13, 2000, South Korean President Kim Dae Jung flew to Pyongyang for a three-day summit with North Korea’s paramount leader, Kim Jong-il. The meeting was the first-ever between the leaders of North and South Korea, which have been divided since 1945 and officially at war since 1950.¹ The two Kims signed a joint declaration pledging, among other things, to work towards eventual reunification, open a dialogue between government officials, engage in economic cooperation, permit family reunions, and engage in cultural and athletic exchanges. Upon his return to Seoul, Kim Dae Jung stated that Kim Jong-il had verbally agreed that even if North-South tensions continued to be reduced, U.S. troops should remain in South Korea to help preserve regional and peninsular stability. “It became clear,” the South Korean president continued, “that we will not ever go to war again.”²

The Ebb and Flow of the New Inter-Korean Dialogue. Since the North-South summit, inter-Korean interchanges have alternated between bursts of meetings and lulls in public activity. In the summer and fall of 2000, North-South interchanges flowed, as the two Koreas rapidly developed a new dialogue. Four rounds of inter-ministerial talks were held, the two countries’ defense ministers met for the first time, talks on economic cooperation commenced, the two sides marched together at the 2000 Sydney Olympics, and emotional reunions were held among hundreds of families separated by the inter-Korean divide. South Korean President Kim stated his desire to negotiate a North-South peace agreement, which would officially end the Korean War, before he leaves office in February 2003. Moreover, numerous South Korean businesses and citizens forged their own contacts with North Korea, a development made possible when President Kim – under his so-called “sunshine policy” of trying to induce more cooperative behavior from North Korea through engaging Pyongyang – relaxed Seoul’s previous insistence that the government monopolize all contact with the North.³

In October of 2000 North Korea slowed the pace of the dialogue, leading to the postponement and delay of scheduled family reunions and several meetings. Inter-

¹ North and South Korea’s formal names are the Democratic People’s Republic of Korea (DPRK) and the Republic of Korea (ROK), respectively.

² *Korea Herald*, June 20, 2000.

³ For more on South Korea’s “sunshine policy” toward North Korea, see CRS Report RL30188, *South Korea’s Sunshine Policy*, by Rinn-Sup Shinn.

Korean activity again picked up from November 2000 to January 2001, with the talks entering a new phase: ministerial-level talks shifted from meeting approximately every month to every quarter, with more frequent working-level meetings expected to provide forward momentum.⁴ Kim Jong-il's business-oriented trip to China, combined with talk of "new thinking" in the state-run North Korean press, seemed to promise more breakthroughs in 2001.

Such hopes were frustrated, however, as North Korea abruptly called off inter-ministerial talks planned for March, probably in response to the Bush Administration's calls for stricter reciprocity and greater transparency in dealing with Pyongyang. Moreover, working-level meetings produced few concrete results. Economic talks became bogged down over North Korea's demand that the South provide 500,000 kw of electricity. Although military-to-military talks in February produced an agreement on rules of operation for construction of a railroad through the DMZ, North Korea has yet to sign and ratify the pact. Kim Jong-il's reciprocal visit to South Korea has yet to be scheduled, making it increasingly unlikely that the trip will take place in the first half of 2001, as South Korean officials had hoped. North Korean state-run media outlets have called on U.S. troops to withdraw from South Korea, a demand reportedly also made by the DPRK defense minister during talks with the ROK in September 2000.

What are North Korea's Intentions? The biggest set of questions revolve around North Korea's intentions, which remain opaque. Is its diplomatic opening a sign that Kim Jong-il has changed his stripes, deciding to adopt a more cooperative posture and possibly reform the faltering North Korean economy? Or, are the North's actions merely tactics to obtain economic concessions from South Korea and its allies, thereby propping up North Korea's economy, rearming its deteriorating conventional military, and preserving the power of its communist elite? Events since the summit appear to support the latter interpretation. Thus far, North Korea has largely succeeded in steering the North-South dialogue toward discussions over economic assistance and away from discussions over military confidence-building measures. Meanwhile, a number of sources have reported that the DPRK has expanded its military activities in recent months. All this has led observers in South Korea and the U.S. to criticize President Kim for conceding too much to the North without insisting on enough in return. In the winter and spring of 2000, the North diversified its diplomatic contacts by establishing relations with a number of Western European countries and inviting the European Union (EU) to join discussions on Pyongyang's missile program.

Criticism in South Korea. Within South Korea, criticisms of President Kim's sunshine policy – particularly from the opposition Grand National Party (GNP) – has mounted. The GNP's concerns are less over the logic of the policy – the party generally has come to support some form of engagement with North Korea – than

⁴ Aidan Foster-Carter, "Will All Things Go Well? Ups and Downs in the New Inter-Korean Normality," *Comparative Connections*, 1st Quarter 2001, available at [<http://www.csis.org/pacfor/ccejournal.html#nksk>].

over its implementation.⁵ The GNP leadership has charged President Kim with failing to insist on reciprocity from Pyongyang in exchange for Seoul's concessions and with ignoring important issues such as confidence-building measures and the several hundred South Korean POWs and kidnapping victims said to remain in the North. The GNP also has criticized Kim for failing to adequately consult with the National Assembly – in which the GNP is the largest party – and for trying to silence domestic criticism of North Korea.⁶

The slowing of South Korea's economy in early 2001 have added weight to the GNP's warnings that the government should avoid providing North Korea with significant economic assistance. The slowdown also has accentuated the serious financial difficulties of the Hyundai conglomerate, particularly its North Korean business ventures, which have been the economic flagships of Kim Dae Jung's sunshine policy. Inter-Korean trade actually grew by a meager 0.8% year-on-year in the first quarter of 2001, to \$76.56 million, in part due to North Korea's boycott of the main shipping company handling the Incheon-Nampo route.⁷

Despite the lull in North-South activity, the sheer breadth and depth of the dialogue, combined with the fact that follow-up meetings have been held and scheduled, indicates that this time Seoul and Pyongyang appear to be making a serious attempt to regularize and institutionalize their dialogue, in contrast to previously ephemeral thaws in 1972, 1985 and the early 1990s. Inter-Korean contacts are no longer exceptional. While the rapprochement is not yet irreversible, each subsequent meeting and contact strengthens the newly intensified process. Much depends on the attitude of the Bush Administration, which has put talks with North Korea on hold pending a comprehensive review of U.S. policy toward the DPRK.

Implications for the U.S. The thaw on the Korean Peninsula has several important implications for the United States. First, it is likely to increase pressure on the United States, as well as Japan, to improve relations with North Korea. Second, in South Korea, the perceived reduction in the North Korean military threat has created a more critical public climate regarding the presence of the 37,000 U.S. troops in South Korea, a new attitude that already has spilled over into other areas of U.S.-ROK relations. Third, public reactions to a reduction in tensions also could influence a similar debate in Japan, particularly in Okinawa, over U.S. troops in that country. Finally, many U.S. observers want economic cooperation between the Koreas to be designed in a way that will limit the North's ability to increase the

⁵ Lee Hoi-Chang's speech to the American Enterprise Institute, September 15, 1999.

⁶ For instance, Hwang Jang Yop, the highest-ranking North Korean ever to defect to South Korea, has accused the South Korean government of threatening to evict him from a protected "safe house" in order to stop him from criticizing North Korea and Kim Dae Jung's sunshine policy. See *Yonhap*, November 23, 2000, and "The Moral Cost of Engagement," *Far Eastern Economic Review*, December 28, 2000.

⁷ *Joongang Ilbo*, April 26, 2001.

resources it places into its military, including its nuclear and long-range missile programs.⁸

Chronology

Upcoming Events

- May - Trilateral Coordination and Oversight Group (TCOG) meeting.
- 5/2-4/01 - EU delegation to DPRK.
- 5/9/01 - ROK and DPRK Red Cross chiefs to meet in Spain, where they will receive award from the Spanish Red Cross for the organization of reunions of separated families.
- June - ROK Home Affairs and Administration research on two Koreas' administration systems to be completed.

Past Events – 2000

- 3/9/00 - Kim Dae Jung's "Berlin Declaration." In a speech in Berlin, ROK President Kim signaled Seoul's interest in extending economic assistance to North Korea, in exchange for reopening an official North-South dialogue.
- 4/8/00 - The ROK and DPRK announce they will hold the first-ever inter-Korean summit in June.
- 5/29-31/00 - DPRK leader Kim Jong-il makes a secret visit to Beijing, meeting with top Chinese leaders.
- 6/13-15/00 - **The North-South summit**, Pyongyang, between ROK President Kim Dae Jung (shown at left in photo) and DPRK leader Kim Jong-il. The two leaders sign a vaguely worded joint declaration, which indicates their agreement to work toward unification, exchange visits by members of divided families around August 15, 2000, repatriate DPRK prisoners in the ROK who have completed their jail terms, work for "a balanced development" of both countries' economies, hold a dialogue between the two governments at an early date, and increase social and cultural exchanges. The declaration also mentions that Kim Jong-il accepted Kim Dae Jung's invitation to visit Seoul "at an appropriate time." After returning to South Korea, Kim Dae Jung

⁸ For further information on U.S.-Korean relations, see CRS Issue Briefs IB91141, *North Korea's Nuclear Weapons Program* and IB98045, *U.S.-South Korean Relations -- Issues for Congress*, both by Larry Niksch.

states that Kim Jong-il verbally agreed that even if North-South tensions continued to be reduced, U.S. troops should remain in South Korea to help preserve regional and peninsular stability. For details, see CRS Report RL30188, South Korea's "Sunshine Policy."

- 6/19/00 - The Clinton Administration eases economic sanctions imposed on North Korea since its invasion of South Korea in 1950.
- 7/31/00 - **ROK and DPRK foreign ministers meet** on the sidelines of the ASEAN⁹ Regional Forum (ARF) in Bangkok, the first time the DPRK had been invited to the ARF. The ministers issue a joint press release agreeing to: hold ministerial-level talks starting August 29, hold family reunions, reopen liaison offices in Panmunjon, and begin discussing the reopening of severed railway links.
- 8/11/00 - Major ROK media publishers meet with Kim Jong-il and the state-run North Korean press in Pyongyang. The publishers agree on a plan of mutual coverage, including a pledge to "avoid confrontation . . . and stop slander."
- 8/15/00 - The North-South Liaison office in Panmunjon, in the Demilitarized Zone (DMZ), reopened. It had been closed by the DPRK in 1996.
- 8/15/00 - **200 families reunited.** 100 ROK citizens travel to Pyongyang. 100 DPRK citizens travel to Seoul.
- 8/23/00 - Hyundai and the DPRK reach agreement to begin construction of an industrial park in Kaesong, a DPRK town near the DMZ. Surveying is to begin in September 2000 and construction is to begin in November 2000.
- 8/29-9/1/00 - **2nd Interministerial Meetings**, in Pyongyang. The ministers issue a 7-point joint press statement, which included the following items: a 2nd round of family reunions is to held by year-end; the two Red Crosses are to begin discussing the exchange of letters among divided families; discussions will begin in September over holding military-to-military meetings; and working level meetings will begin on economic cooperation and on reconnecting the Seoul-Shinuiju railroad. The next round of ministerial talks is scheduled for Sept. 27-30. The DPRK asked for 1 million tons of food aid. The end of talks are delayed a day, reportedly due to DPRK opposition to military confidence building measures, such as establishing a hotline and holding regular military-to-military talks. The communique did not mention a reciprocal visit to Seoul by Kim Jong-il. Prior to the meetings, there had been speculation that such a trip would take place in Nov. 2000.

⁹ Association of Southeast Asian Nations.

- 9/12/00 - The ROK and DPRK announce that DPRK leader **Kim Jong-il will visit Seoul in the spring of 2001**. The announcement is made during a meeting of key aides to both leaders. The aides sign a joint communique stating that working level economic talks will open on September 25, defense ministers will meet, and a joint flood control survey of the Imjin River will be completed within the year.
- 9/17/00 - ROK President Kim's party announces its intention to revise ROK's National Security Law, which bans praise of and unauthorized contacts with DPRK.
- 9/18/00 - The ROK starts work on reconnecting the Seoul-Shinuiju (DPRK) railroad. The ROK's main opposition party boycotts the event.
- 9/19-23/00 - Red Cross negotiators meet and agree to two more family reunions (Nov. 2-5 and Dec. 5-7, 2000) for 100 people from each side in Seoul & Pyongyang, and to allow 300 people from each Korea to exchange letters with separated families, which would be the 1st ever inter-Korean mail links.
- 9/25-26/00 - **1st-ever inter-Korean defense ministerial meeting**, on Cheju Island (ROK). In a joint statement, the two ministers agree to ease military tensions so as to "completely eliminate" the danger of war on the Korean peninsula. To allow the relinking of inter-Korean railroads and highways through the DMZ, the defense ministers agree to begin clearing mines and create an area of joint control in the DMZ. Another round of ministerial talks is scheduled for Nov. 2000, and a round of working level talks on the railroad is scheduled for October 2000. The DPRK did not respond to the ROK's confidence-building proposals, which included: establishing joint military committees at the working and upper levels, establishing a military hot line, and agreeing to observation and advanced notification of troop movements and exercises. Reportedly, the DPRK defense minister called on the U.S. to withdraw its troops from South Korea.
- 9/25-26/00 - **1st working level economic meeting**, in Seoul, makes progress on investment and double taxation agreements. ROK agrees to give DPRK 500,000 tons of food aid.
- 9/27-10/1/00- **3rd interministerial talks**, on Cheju Island (ROK), end without much substantive progress. In a joint communique, the two Koreas agree to set up a joint economic commission and to increased social and academic exchanges. Reportedly, the DPRK requested a slowdown in the pace of inter-Korean projects.
- 10/1/00 - ROK President Kim proposes a "2+2" peace initiative, whereby the ROK and DPRK would sign a peace agreement that would later be endorsed and guaranteed by U.S. and China.

- 10/6/00 - The U.S. and DPRK sign a statement in which the DPRK declares its opposition to all forms of terrorism.
- 10/9-12/00 - Vice Marshal Jo Myong Rok, the DPRK's second-in-command, travels to Washington, the first visit to the U.S. by a high-level DPRK official. The two sides sign a joint communique, which states that "there are a variety of available means, including the four-party talks" for forging permanent peace arrangements, a move that the ROK hailed as a sign that North Korea might support President Kim's 2+2 peace treaty initiative, thereby abandoning its policy of negotiating a peace treaty only with the U.S.
- 10/18/00 - DPRK postpones scheduled 2nd round working level economic meetings due to its "internal situation."
- 10/23/00 - U.S. Secretary of State Madeleine Albright travels to the DPRK.
- 10/29/00 - 4th round of Ministerial-level talks are postponed.
- 10/31/00 - DPRK-Japan normalization talks. DPRK rejects Japan's proposal to offer it "economic aid" rather than financial "compensation" for the 40-year occupation of Korea. Future talks are not scheduled.
- 11/1/00 - DPRK-U.S. missile talks open.
- 11/2-5/00 - Scheduled family reunions are postponed.
- 11/6/00 - In talks with the United Nations Command (UNC) over opening the DMZ to inter-Korean rail and roads, the DPRK rejects a UNC proposal to transfer negotiating authority from the UNC to the ROK.
- 11/8-11/00 - **2nd round working level economic meeting**, in the DPRK, which had been scheduled for Oct. 18. Four agreements are signed, extending protection to foreign investors, ending double taxation, designating local banks to allow direct financial transactions, and establishing a bilateral body to settle potential trade disputes. Officials estimate that the agreements, which need to be ratified at the ministerial level and then by legislatures, could take 1-3 years before they go into effect. During the visit, ROK negotiators inspect a DPRK food aid distribution center, the first time the DPRK opens its distribution infrastructure to ROK inspection. The DPRK also provides a detailed accounting of food aid distribution.
- 11/16/00 - The DPRK and the United Nations Command in Korea agree that ROK can have administrative authority over the southern portions of the DMZ, where an inter-Korean railroad and highway are to be built.
- 11/28/00 - In a speech in Singapore, ROK President Kim calls for reopening the Four Party talks among the two Koreas, the United States, and China as a vehicle to negotiate a peace agreement. The talks, which opened in 1997, had been stalled since the fall of 1999.

- 11/28/00 - **1st working level military talks** to discuss administering the construction of inter-Korean railroad and road through the DMZ.
- 11/30/00 - 2nd round of defense minister talks, scheduled for Nov 2000, do not take place.
- 11/30-12/2/00 **2nd round of family reunions** of 100 people from each side. The reunions, originally scheduled for early November, are a lower key affair than the 1st round in August, in part due to protests in the ROK against the cost of the 1st reunion. The reunions proceed less smoothly than the 1st round: the DPRK lashes out at the head of the ROK Red Cross for his criticism of the reunion process, and the DPRK detains an ROK reporter who had criticized the DPRK. The two Red Crosses agree that letters between families will be allowed at a future date.
- 12/5/00 - 3rd round family reunions, originally scheduled for this date, are postponed.
- 12/10/00 - ROK President Kim receives the Nobel Peace Prize in Oslo.
- 12/11/00 - ROK President Kim says he expects to sign a far-reaching pact if DPRK leader Kim Jong-il visits Seoul in the spring of 2001.
- 12/12/00 - **2nd round working level military talks**, in the DMZ, produce a consensus on general principles for the repair of North-South railroads and construction of North-South roads in the DMZ. The two sides begin to draft common regulations for emergencies or accidental military conflict.
- 12/12-16/00 - **4th round inter-ministerial talks**, in Pyongyang. In a joint statement, the two sides announce: the establishment of an economic cooperation panel to meet later in December; a 3rd round of family reunions to be held in Feb. 2001 and a 5th ministerial level meeting to be held in March; work would begin on a DPRK proposal to open its East Sea waters to ROK fishermen. The talks are more contentious than previous rounds. As a prerequisite for more dialogue, the DPRK demands that the ROK agree to provide 500,000 kw of electricity. The ROK refuses, convincing the DPRK to defer the issue to economic cooperation panel meeting. The DPRK protests an ROK Defense White Paper identifying DPRK as “the main enemy,” pending a substantive reduction of the DPRK military threat.
- 12/21/00 - **3rd Round working level military talks**, in the DMZ, produces no significant results. The DPRK did not respond to ROK proposals for detailed safeguards to prevent accidental clashes between the two militaries, for a hotline be set up to link the two militaries, and for the DPRK to prevent its ships from crossing the Northern Limitation Line (NLL) demarcating the two countries’ sea border. The DPRK again

expressed dissatisfaction about being designated as the ROK's main enemy in the ROK's Defense White Paper

12/28/00 - Hoped-for military talks don't materialize after the DPRK fails to respond to an ROK proposal for more talks.

12/28-31/00- **1st South-North economic cooperation promotion committee meeting**, in Pyongyang. The two sides agree to prepare a joint inspection of the DPRK's energy situation in January and to discuss joint flood control surveys of the Imjin River, which runs through the DMZ. The talks stalled at one point when the DPRK demanded that the ROK agree to provide electricity before other issues were resolved. A second meeting is scheduled for Feb. 6-8, 2001 in Seoul.

Past Events – 2001

1/1/01 - In joint New Year's editorials, three official DPRK newspapers state that North Korea will place top priority on rebuilding its economy.

1/1/01 - North Korean short-wave radio halts the broadcast of random numbers, which are believed to be coded instructions to spies in South Korea.

1/6/01 - Radio Pyongyang, the DPRK's official station, broadcasts a lecture on Korean unification that calls for a DPRK-U.S. peace treaty but omits any mention of a DPRK-ROK treaty.

1/8/01 - The ROK government delivers a draft inter-Korean agreement on a number of key issues to the DPRK Monday, which includes the provision of electricity, measures to prevent flooding along the Imjin River, joint-efforts to construct rail and road links as well as an industrial complex in Kaesong, the DPRK. An ROK Finance and Economy Ministry official says the document also sets the timing for a special team to determine the extent of DPRK's power shortages and for a joint team of experts to survey the Imjin River.

1/13/01 - North Korea's Fisheries Ministry proposes inter-Korean talks on a fishing agreement.

1/15/01 - **Kim Jong-il, accompanied by senior military officials, travels to China.** Economic issues dominate his trip, which includes a visit to joint venture plants and an economic development zone in Shanghai. Reportedly, during a meeting w/CCP Pres. Jiang, Kim endorsed China's economic reforms. Kim had last visited Shanghai in 1983, when the city was just beginning its economic reforms, and had criticized the reforms for ideological "revisionism."

1/17/01 - The ROK's foreign minister announces that the U.S. and ROK have reached an agreement allowing the ROK to deploy missiles with a 300

km. (187 mile) range, nearly double the previous 180 km. limit set by a 1979 bilateral agreement.

- 1/17/01 - At an ROK National Security Council meeting, President Kim sets three basic unification and security guidelines: improving inter-Korean reconciliation and cooperation, particularly on economic matters; establishing an inter-Korean peace regime; and maintaining a steadfast security posture.
- 1/22/01 - President Kim tells his Cabinet to begin preparing for “wholesale” changes in the North-South relationship because it appears that Kim Jong-il is ready to implement significant economic reforms
- 1/21-23/01- Chinese press accounts report that Kim Jong-il visited light industrial factories in the North Korea city of Shinuiju, near the Chinese border, and urged workers to abandon “old thinking” in order to adopt modern technology and increase production.
- 1/24/01 - In Tokyo, Kofi Annan says he hopes to visit North Korea in the first half of 2001.
- 1/25/01 - The South Korean government decides to send 100,000 tons of corn to North Korea through the World Food Program. In 2000, Seoul sent 600,000 tons of corn to the North.
- 1/25/01 - Presidents Bush and Kim hold their first phone conversation. Reportedly, few specifics are discussed. Bush issues a vague pledge to coordinate closely with South Korea and to help the two Koreas promote peace.
- 1/29/01 - **Working level meeting on North Korea’s electricity situation** (in Kaesong, North Korea) delayed per Pyongyang’s request.
- 1/29-31/01 - At the **3rd Round of Red Cross Talks** (in Mt. Kumgang, DPRK), the two sides issue a six-point agreement scheduling a third round family reunions on February 26, a letter exchange beginning March 15, and a fourth round of meetings from April 3-5 in a to-be-determined location. No agreement was reached on the South’s primary goal at the meeting - establishing a permanent reunion facility. ROK proposed 2 temporary centers, in Mt. Kumgang & in Panmunjon. North Korea reportedly insisted on Mt. Kumgang. Additionally, South Korea proposed periodical or regular letter exchanges and an increased number of families for such exchanges.
- 1/30/01 - Hyundai Asan sends half of its \$12 million January 2001 payment to the DPRK, a violation of contract. The company blames snowballing losses from the Mt. Kumgang venture, estimated to reach 488 billion won (\$391 million).

- 1/31/01 - At a **4th round of working level military talks** (Panmunjon) on reconnecting the Seoul-Shinuiju railroad in the DMZ, the two sides near agreement on joint safety regulations aimed to help avert possible accidental clashes within the Demilitarized Zone (DMZ). Landmine clearance work within the DMZ is likely to begin in March.
- 2/6/01 - A three-person EU economic mission arrives in North Korea. Reportedly, the group will stay for about two weeks to inspect the DPRK's agricultural and energy industries, in preparation for a possible technical assistance program in the future.
- 2/7/01 - In the first high-level meeting between the Bush and Kim administrations, Secretary of State Colin Powell and ROK Foreign Minister Lee Joung-binn confer over breakfast in Washington and issue a joint statement affirming the Bush Administration's general support for ROK's policy of reconciliation and cooperation with the North. The meeting is notably devoid of much discussion of details, however, and Powell reportedly makes it clear that there will no development in relations between Washington and Pyongyang unless progress is made in discussions over the DPRK's missile program.
- 2/7-2/10/01 - **Working level meetings on North Korea's electricity situation** (Pyongyang) produces no results. ROK repeats its proposal that the two Koreas form a joint survey team, to which North Korea responds that it would only agree to more limited surveys if the South first supplies 500,000 kilowatts of electricity as soon as possible. No follow-up meeting is scheduled, though South Korean officials propose a meeting in Seoul in early March.
- 2/8/01 - **5th working level military meeting**, at which the North Korea and ROK militaries reach a 41-point agreement on arrangements to reconnect the Seoul-Shinuiju railway inside the DMZ. The agreement stipulates that: the two sides will two checkpoints on either side of the military demarcation line (MDL); no military facilities will be allowed in the area; the removal of landmines and explosives in the area will be discussed a week before the de-mining work starts and the two sides will jointly take part in it; a hotline between the military authorities will be set up; to protect the ecosystem within the Demilitarized Zone, the two sides agreed to construct an eco-bridge. Pyongyang agrees to send the document to the South on Feb. 12, after it was signed by its People's Armed Forces Minister, Kim Il-chol. DPRK delegates declared there would be no more defense ministers' meetings between the two sides unless the ROK defense white paper is revised to remove the designation of the DPRK as the ROK's "principal enemy."
- 2/11-22/01- First North Korean arts group tour of the U.S.
- 2/11/01 - North Korea notifies ROK that it will delay the conveyance of the DMZ agreement on railroad construction due to "administrative problems." A new delivery date is not mentioned. Pyongyang earlier

had agreed to send the document to the South on Feb. 12, after it was signed by its People's Armed Forces Minister, Kim Il-chol.

- 2/12/01 - Lim Dong-won, ROK director general of the National Intelligence Service (NIS) and architect of DJ's sunshine policy, arrives in the U.S. for a "secret" week-long visit. He meets with Secretary of State Colin Powell, CIA director George Tenet and National Security Advisor Condoleezza Rice, FBI Director Louis Freeh, and many private players on Asian security. Reportedly, Lim tells U.S. officials that President Kim will seek a vague declaration of peace, rather than a formal peace treaty, in a future summit with Kim Jong-il. Upon his return to the ROK, Lim acknowledges to reporters that a conceptual gap exists between Seoul and Washington over how to deal with North Korea.

- 2/13/01 - Hyundai Asan pays \$6 million delinquent from its January payments. North Korea had demanded this payment as precondition for considering Hyundai's request to reschedule payments.

- late February **2nd Inter-Korean Economic Cooperation Promotion Committee meeting** is postponed.

- 2/20/01 - Hyundai Asan chairman Chung Mong-hun goes to DPRK to negotiate payments for its Mt. Kumgang project with North Korean officials. The DPRK rejects his proposal to cut the monthly \$12 million payment in half.

- 2/22/01 - North Korea warns it might scrap a moratorium on long-range missile tests to protest what it calls a hard-line policy – including possible revisions of the Agreed Framework – by the Bush administration, following indications from the Bush Administration that it will review U.S. policy toward North Korea.

- 2/22-24/01 - Working level meeting in Pyongyang on joint flood control of Imjin River makes little progress. Seoul proposes that both sides conduct field surveys of the area beginning in March and that both sides exchange weather reports during the summer rainy season beginning this year. A follow-up meeting is not scheduled.

- 2/26/01 - **3rd round of family reunions** held.

- 2/27/01 - Putin - Kim summit in South Korea. The two leaders issue a joint communique stating that the 1972 Antiballistic Missile Treaty is a "cornerstone of strategic stability and an important foundation of international efforts on nuclear disarmament and nonproliferation," which many interpret to be a statement of opposition to the U.S. missile defense program. In the days after the summit, Seoul insists that it did not intend the communique to represent its position on missile defense. While in Washington a week later, President Kim

apologizes for the statement, which in retrospect he says should not have been included.

- 2/27-3/1/01 - DPRK economic mission arrives in U.S. The mission is composed of deputy ministers and bureau chiefs of the DPRK's foreign trade and finance ministries. In New York City and Washington DC, the mission visits economic organizations and institutions, computer companies, and universities. Later report revealed that at a March 2 meeting with the IMF, the officials expressed their desire to join World Bank.

- 3/1/2001 - Germany and DPRK establish formal relations. The two sides agreed to a protocol that permits German diplomats and aid officials freedom of movement inside North Korea – a first. The protocol also calls for establishing a dialogue on human rights and arms proliferation issues.

- 3/2/01 - In a letter to President Bush, House International Relations Committee Chair Henry Hyde and two other congressmen urge the Administration to consider renegotiating the 1994 Agreed Framework, specifically by providing the DPRK with conventional power plants rather than nuclear facilities.

- 3/6/01 - Secretary of State Colin Powell states that the U.S. plans to pick up where Clinton left off in missile talks with North Korea.

- 3/7/01 - The first **Bush-Kim summit** (in Washington), a meeting both leaders describe as a “frank and honest” exchange of views. Although expressing his support for President Kim’s sunshine policy, President Bush rebuffed Kim’s desire for the U.S. to continue President Clinton’s policy toward North Korea. Expressing his “skepticism” about the ability of outsiders to verify agreements with DPRK, Bush indicated that his Administration was conducting a comprehensive review of U.S. policy toward North Korea. President Kim reportedly tries to convince Bush to adopt a broad-based “comprehensive” reciprocity rather than a tit-for-tat strict reciprocity toward the North. In a related move, Secretary of State Powell, backing away from his statements the previous day, denies that a resumption U.S.-DPRK negotiations is imminent.

- 3/8/01 - In a speech in Washington the day after his meeting with President Bush, President Kim **modifies his sunshine policy** in two ways. First, backing away from his previously stated goal of pushing for an inter-Korean peace agreement, Kim says he instead would focus on reactivating an inter-Korean non-aggression pact signed in 1992. Second, Kim proposes that U.S. and South Korean adopt a North Korea policy of “comprehensive reciprocity,” in which Washington and Seoul would give Pyongyang economic assistance, a promise not to strike first against the Communist regime, and support the North’s bids to join global organizations in return for the North simultaneously promising to observe the 1994 Agreed Framework, scrapping its

missile program, and declaring non-aggression against the South. This is a departure from Kim's previous "flexible reciprocity" approach, in which many benefits to the North were to precede the North's concessions.

- 3/10-11/01 - DPRK and ROK trade union representatives meet at Mt. Kumgang.
- 3/13/01 - Henry Hyde, chairman of the House International Relations Committee, argues in a speech that North Korea has violated the 1994 Agreed Framework (AF) because it has not provided proof that it has discontinued its nuclear program. Hyde also calls on the U.S. to renegotiate the AF and backs President Bush's insistence on increased verification of the DPRK's nuclear program.
- 3/13/01 - **5th inter-ministerial talks** (in Seoul) **are postponed by DPRK** hours before the meeting is to take place. Items on the ROK's agenda include briefing the DPRK on the Kim-Bush summit, scheduling Kim Jong-il's visit to ROK, and discussing military confidence building measures.
- 3/15/01 - Letters exchanged among 600 families, 300 from each side, the first-ever private letters to cross the DMZ. The letters are permitted to include up to three pages and two photos. Cash and gifts are not permitted. Replies are not yet allowed, and the two countries' Red Crosses are due to discuss procedures for replies at their next Red Cross meeting, scheduled for April 3-5, 2001.
- 3/21/01 - Chung Ju-yung, founder of Hyundai Group, dies. DPRK leader Kim Jong-il sends a telegram to the family expressing his "deep condolences" over Chung's death. The DPRK also sends a 4-person delegation to Chung's funeral.
- 3/22/01 - The DPRK invites the EU to join missile talks.
- 3/24/01 - The EU announces that Swedish Prime Minister Goeran Persson will lead a delegation to Seoul and Pyongyang – perhaps as early as May – for talks with the leaders of the DPRK and the ROK. Swedish Foreign Minister Anna Lindh states, "It's becoming clear that the new U.S. administration wants to take a more hard-line approach toward North Korea. That means that Europe must step in to help reduce tension between the two Koreas..."
- 3/26/01 - Hyundai Asan and DPRK reportedly agree to halve Hyundai's \$12 million monthly payment to DPRK for Mt. Kumgang venture.
- 3/26/01 - South Korea postpones scheduled continuation of work on the Seoul-Shinuiju railroad because North Korea still has not signed or ratified the January 2001 agreement on construction procedures in the DMZ.

- 3/26/01 - President Kim shuffles the ROK foreign policy team. Lim Dong-won goes from the National Intelligence Service head to Unification Minister. Former Ambassador to the U.S., Han Seung-soo, becomes Foreign Minister. The new Defense Minister, Kim Dong-shin, has conservative ties. The move is widely interpreted as an attempt by President Kim to shore up his sinking popularity, and to improve relations with the United States.

- 3/26/01 - Japan, the United States and South Korea hold talks in Seoul to coordinate their policy toward Pyongyang. Reportedly, there are few detailed discussions over DPRK strategies because the US is still reviewing its policy. The next TCOG meeting is scheduled for May. In bilateral talks, ROK pushes the US to accept the principle of “comprehensive reciprocity” toward DPRK.

- 3/27-29/01 - North and South Korean religious leaders meet at Mt. Kumgang.

- 3/28/01 - The DPRK rejects an ROK proposal to field an inter-Korean ping pong team for the 46th World Table Tennis Championships in Osaka, Japan in late April.

- 3/28/01 - Ryang Gyu-sa, a resident of Japan with North Korean citizenship, arrives in South Korea to play professional football for Ulsan Hyundai. Ryang also plays for the DPRK national team.

- 3/28/01 - General Thomas Schwartz, the commander of the Combined Forces Command in the ROK, testifies before the Senate’s Armed Services Committee that the DPRK military is becoming larger, closer and more lethal day by day.

- 3/28/01 - With North Korea’s tacit permission, an ROK navy ship travels two miles into DPRK waters to rescue the crew of a sinking Cambodian merchant ship. The ROK ship reportedly notified the North, but received no response.

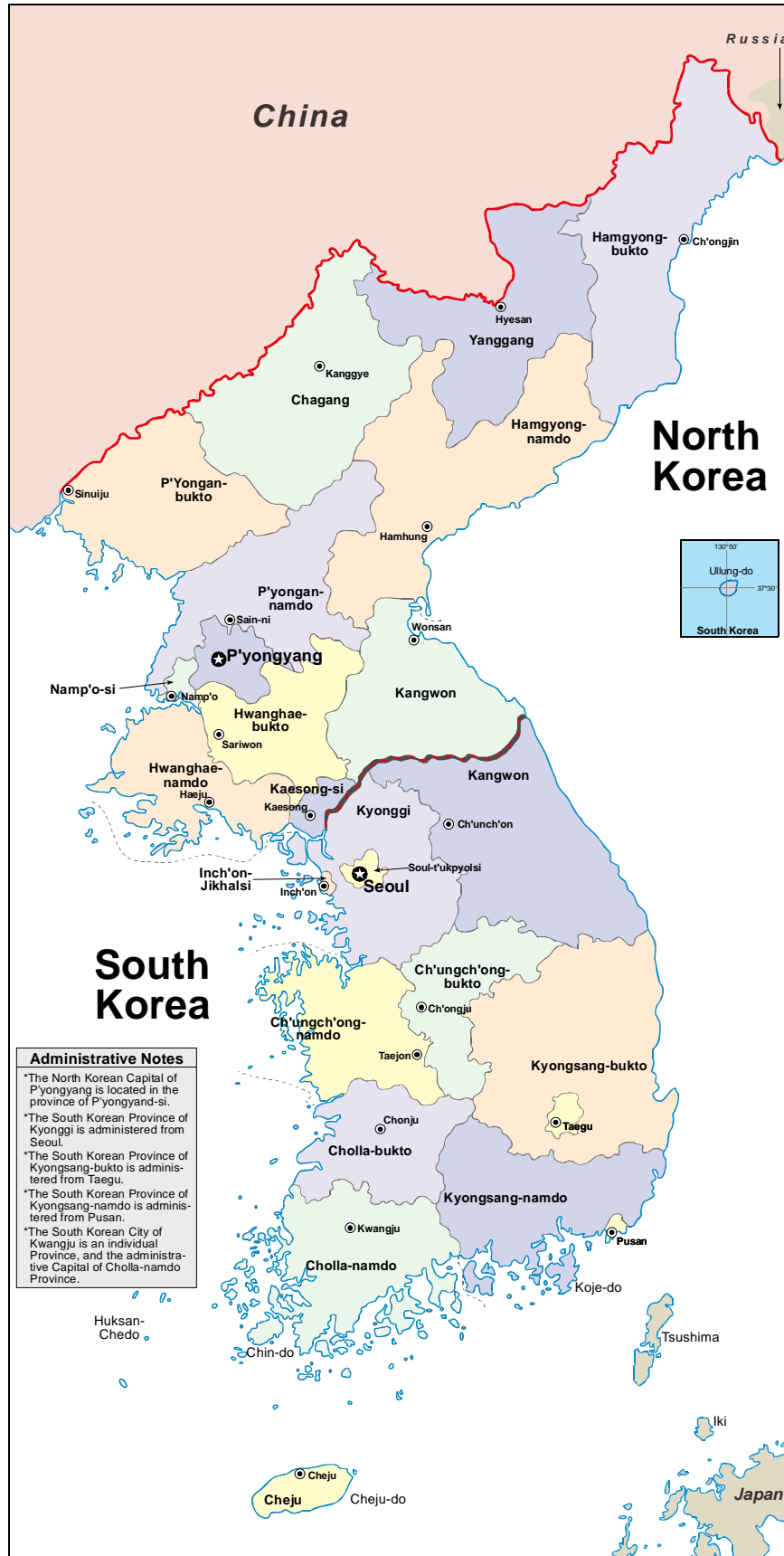
- 4/3-4/5 - **4th Round Red Cross are postponed** when DPRK doesn’t respond to a March 22 ROK proposal for the venue to be Seoul.

- 4/9/01 - North Korean patrol boats briefly enter ROK waters, on the southern side of the Northern Limit Line that is the de-facto border in the Yellow Sea. The boats, which ostensibly are guiding North Korean fishing vessels, retreat after being challenged by ROK naval ships. The incident is repeated on April 10. Similar incidents occurred on February 5 and March 3.

- 4/9/01 - Hyundai announces the temporary halving of its Mt. Kumgang tours

- 4/11/01 - The DPRK denies permission for 63 ROK tourists born in DPRK to travel to Mt. Kumgang, the first such denial for Hyundai’s Mt. Kumgang project.

- 4/15/01 - The first-ever marathon in Pyongyang is held, with 600 North Korean and 45 foreign runners. The event is partially funded by foreign sponsorship and commercial advertising, also firsts.
- 4/17/01 - The reported date of Kim Jong-il's visit to Russia. The trip is delayed, however, reportedly because DPRK and Russia cannot agree on a military and economic aid package to DPRK. Reportedly, Russian President Putin turns down Kim's request for new Russian tanks, MIG-29 fighters, and crude oil.
- 4/18/01 - The ROK Unification Ministry grants a license to Kook Yang Shipping Co. to run one freighter along the Inchon (ROK) - Nampo (DPRK) route at least three times a month for six months. Until now, only one company (Hansung) possessed a license to run the route on a regular basis, and in November 2000 the DPRK denied entry of ships from Hansung to its harbor, citing their high costs, effectively shutting down maritime trade.
- 4/19/01 - ROK Foreign Minister Han Seung-soo urges the US to resume talks soon with the DPRK, saying that ROK-DPRK ties were suffering from the "uncertainties" of the US policy review.
- 4/24/01 - Hyundai's Chung Mong-hun visits DPRK to try to resolve Hyundai Mt. Kumgang financial problems.
- 4/26/01 - The ROK Unification Ministry announces that it will provide 200,000 tons (worth approximately \$52 million) in fertilizer to the DPRK. The first shipment is scheduled for May 2.
- 4/27/01 - The Russian and DPRK Defense Ministries sign an agreement to upgrade the DPRK's weapons supplied during the Soviet era.
- 4/27/01 - ROK Unification Minister Lim Dong-won tells a National Assembly committee that relinking the Seoul-Shinuiju railroad will be difficult to achieve in 2001 because the DPRK has halted work on the project.



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