

Part I

Security Issues of East Asia

Chapter 1

Inter-Korean Summit

In June 2000, Kim Dae Jung, president of South Korea and Kim Jong Il, chairman of the National Defence Commission of North Korea, met in Pyongyang. It was a historical event in the sense that it was the first personal talks ever between the heads of the two Koreas. They have had daggers drawn at one another since the country was divided in two 55 years ago. At the meeting, the two countries virtually decided to put off the issue of political unification while agreeing to strengthen economic ties between the two countries. Factors that had led to holding a summit were the engagement policy advocated by South Korea, the pressing need of North Korea to rehabilitate its economy, and the strengthened policy cooperation among Japan, the United States and South Korea. The summit was followed by a string of developments, including inter-Korean ministerial talks and defense ministers meetings, U.S.-North Korea and Japan-North Korea talks. To persuade North Korea to open the country to the international community has been an important challenge for Japan, the United States, and South Korea, and these talks represent an important first step toward that goal. After the summit, however, North Korea has been giving different responses to overtures of the three countries in an attempt to undercut the cooperative relationship among them. At the same time, North Korea has been showing signs of a willingness to build an international environment favorable to its position in its normalization talks with the United States and Japan.

1. Historic Inter-Korean Summit

(1) Kim Dae Jung's Visit to North Korea, and Its Background

President Kim Dae Jung of South Korea visited Pyongyang, the capital of North Korea, for three days, June 13–15, 2000, and had talks with Kim Jong Il. The inter-Korean summit was the first meeting of the heads of the two Koreas in half a century after South Korea and North Korea declared the founding of a state in their respective countries in 1948. A string of incidents in recent

years between the two Koreas demonstrated that confrontation between the two countries remained intense. They were the submarine incident in 1996, the several incidents of infiltration of South Korea by North Korean spy vessels in 1998, and the exchange of gunfire between navy vessels of North and South Korea on the Yellow Sea in 1999. And the recent inter-Korean summit took place notwithstanding such deep-rooted conflict.

Particularly noteworthy was the fact that Kim Jong Il, a reclusive leader who had had virtually no contact with, and whose personality had been little known to, the outside world held the eyes of the world for as long as three consecutive days. Although his personality came to be known to a certain degree through tales told by North Korean exiles, the deftness of a self-choreographed portrayal of him as “an energetic leader full of self-confidence” exceeded the world’s expectations. Throughout Kim Dae Jung’s stay in North Korea, Kim Jong Il took pains to demonstrate the political power he wielded in North Korea, and successfully spruced up his image to the outside world. Meanwhile, the South Korea has come to recognize Kim Jong Il as an able and powerful adversary with whom it can “talk business.” It is believed that North Korea cannot easily go back on the words given by its absolute leader Kim Jong Il. With the appearance of Kim Jong Il on the stage, the likelihood of North Korea living up to its promises has increased, and South Korea will attach great importance to direct negotiations with Kim Jong Il.

**North-South Korean summit meeting
(June 13, 2000, Pyongyang)** (Reuters-
Kyodo Photo)

Factors that persuaded Kim Jong Il to meet Kim Dae Jung at a summit for the first time since the Korean Peninsula was divided into two were the vigorous pursuit of the engagement policy by South Korea, economic difficulties North Korea was suffering, and the strengthened policy cooperation toward North Korea among Japan, the United States and South Korea.

Since he took office in 1998, President Kim Dae Jung has consistently pursued the engagement policy. His government has refrained from seeking a hasty reunification of the two Koreas and has instead been seeking to establish a peaceful coexistence. Its policy toward the North is guided by three principles — (1) South Korea will not tolerate any armed provocation from North Korea, (2) it will do no harm to, nor absorb, North Korea, and (3) it will do everything in its power to actively promote reconciliation, exchange and cooperation with North Korea.

The second principle — that South Korea will do no harm to, nor absorb, North Korea — gave North Korea a sense of security and has created an atmosphere that has made North Korea receptive to the proposal of direct talks between the two Koreas. In the past, North Korea had expressed on repeated occasions its apprehension about the possibility of South Korea trying to take over North Korea. Indeed, there were forces in South Korea that supported an early reunification of the two Koreas, and it had impeded the allaying of apprehensions of North Korea. However, such apprehensions were eased when South Korea experienced a currency crisis toward the end of 1997. The currency crisis had deprived South Korea of the capability of, and interest in, pursuing an early reunification with North Korea, giving rise to a consensus in South Korea that reunification of South and North Korea as a realistic policy goal should be shelved. As a result, South Korea decided to actively pursue the engagement policy. The German experience amply showed the great economic and social costs that were entailed in the reunification of a divided country. And post-currency-crisis South Korea was painfully aware that it was in no shape to bear the cost of a re-

unification of North and South. As an early reunification has thus become a nonstarter as a realistic policy goal, it gave North Korea a sense of security and has led to active contacts for the improvement of relations between the two countries.

Early in 2000, the South Korean government announced that it would actively move forward its engagement policy. In a New Year's policy address delivered to the nation on January 3, 2000, President Kim Dae Jung unveiled a plan to form a "South-North Economic Community." This concept is based on the belief that a combination of South Korea's capital and technology with the elements of production — land and labor — of North Korea would not only bring about sustained expansion of economic exchange and cooperation between the two Koreas, and a real base for the realization of reunification, but would tap relative advantages the two countries have and help them reap significant economic benefits. What is more, Park Jae Kyu, minister of unification of South Korea, made public a policy that it will ease the requirement of reciprocity that links economic aid to North Korea to the promotion of South-North dialogue, and attach priority to resuming South-North dialogue.

In an address delivered in March at the Free University of Berlin, President Kim Dae Jung appealed to North Korea for cooperation between the governments of the two countries by stating (1) that "the government of the Republic of Korea is ready to help North Korea tide over its economic difficulties," (2) that "at the present stage, our immediate objective is to put an end to the Cold-War confrontation and establish peace, rather than attempting to accomplish reunification," (3) that "North Korea should respond to our call for arranging reunions of relatives separated in the different parts of the divided land" from a humanitarian standpoint, and (4) that "North Korea should respond positively to our proposal to exchange special envoys." The declaration was issued by way of a response to the economic reconstruction policy announced by North Korea in 1999. The declaration proposed that in addition to the eco-

conomic cooperation extended to North Korea mainly by private firms, the South Korean government is prepared to assist North Korea in earnest in rebuilding its economy, particularly, in the construction of social overhead capital and in streamlining its legal system. At the same time, the Berlin Declaration assured that South Korea will not threaten the survival of the North Korean regime by repeating that its immediate policy objective is not a reunification of the two countries. In April, the governments of the two countries announced an agreement to hold an inter-Korean summit, and it is believed that the Berlin Declaration was an important factor in persuading North Korea to agree to the summit.

The domestic situation of North Korea also played an important role in bringing about the summit. For one thing, Kim Jong Il has solidified his leadership position in North Korea. Since the demise of Kim Il Sung, Kim Jong Il had successfully striven to establish his position. In the process, he had assumed office as general secretary of the Workers' Party of Korea in 1997 and was re-elected as chairman of the National Defence Commission (NDC) of the Democratic People's Republic of Korea (DPRK) in 1998. Under the new Constitution amended the same year, the NDC chairmanship is the highest post of the state that directs the work of defending and strengthening state power as a whole through command over all the political, military and economic forces of the country. It is believed that by consolidating his domestic political base, he prepared himself for an active diplomacy, including the inter-Korean summit.

For another, North Korea is hard pressed to rehabilitate its economy. With a view to reconstructing its economy, North Korea has changed its policy to accept outside help. Until then, North Korea had accepted food aid from other countries, but had been reluctant to accept other kinds of foreign aid. However, after establishing his political position in the country, Kim Jong Il started searching for ways to reconstruct the economy in earnest in 1999. Owing to a drastic decrease in aid from the Soviet Union and China after the

end of the Cold War, North Korea had fallen into extreme economic difficulties. During the decade of the 1990s, the gross domestic product of North Korea is believed to have shrunk by one quarter. Food shortages have become chronic, and more recently, food aid from the international community to meet domestic demand has become an annual event. To rehabilitate its ailing economy in such circumstances, foreign aid is indispensable. In such a situation, the substance of the Berlin Declaration that promised full-scale aid for its economic reconstruction must have been quite tempting to North Korea.

The lack of time — President Kim Dae Jung's term had only two years to go — is believed to have been a factor in persuading North Korea to accept the proposal for an inter-Korean summit. In other words, North Korea wanted to pave the way for full-scale economic aid from South Korea while a pro-normalization Kim Dae Jung was in office. The Grand National Party, the largest opposition party in South Korea, took a more demanding position on relations with North Korea than Kim Dae Jung. And given the possibility of a change in government after the next presidential election in South Korea, North Korea may have felt the necessity to realize an inter-Korean summit at an early date.

International relations were a factor at work prompting North Korea to have an inter-Korean summit. Most decisive of them was the strengthening of policy cooperation among Japan, the United States and South Korea. North Korea had consistently given top priority to bilateral talks with the United States since 1993 in an effort to isolate South Korea by "shutting it out while talking to the United States." Because South Korea's North Korea policy had been inconsistent, and there was a difference among Japan, the United States and South Korea in nuances of policy toward North Korea, such maneuvering had been successful. Toward the end of 1998, however, the three countries hammered out a common principle that as long as South-North dialogue makes no headway, there will be no improvement in U.S.-North Korea and Japan-North

Korea relations. It is believed that the unity of policy objective and action among these three countries convinced North Korea that it has to accommodate itself to the proposed dialogue with South Korea.

North Korea pinned its hope on improving relations with the United States and Japan, and steered clear of direct talks with South Korea. However, its relations with the United States and Japan prior to the inter-Korean summit had been low key, and it had reached a diplomatic impasse. For instance, its relations with the United States improved to a certain extent when North Korea, in response to a decision made public by the United States in September 1999 that it would unilaterally remove part of its sanctions against North Korea, announced that it would not launch a missile while talks with the United States are under way. However, as the United States has not removed North Korea from its list of state sponsors of terrorism, U.S.-North Korea relations have come under rigid limitations under U.S. domestic laws. Moreover, North Korea gave no indication of sending its high-ranking officials to the United States to discuss the matter despite repeated calls from the United States.

The current situation of its relations with Japan was not very encouraging. In April 2000, the ninth round of Japan-North Korea normalization talks was held for the first time in eight years, and it was followed by the tenth round in August. Despite such affirmative gestures, however, few were optimistic about the future of relations between the two countries. The missile issue and the suspected abduction cases of Japanese nationals are considered important political issues in Japan, so much so that improvement in its relations with North Korea without settling these issues was difficult. Meanwhile, the North Korea has adamantly stuck to its basic position that the "issue of settling the past" should be discussed and settled first before normalizing the relations between the two countries.

In addition to Japan and the United States, China and West

European countries have expressed their hearty support of the engagement policy of South Korea, and it is believed that this also has had a hand in persuading North Korea to change its attitude. When Kim Yong Nam, president of the Presidium of the Supreme People's Assembly of North Korea, paid an official visit to China in June 1999, President Jiang Zemin of China reportedly urged him to improve North Korea's relations not just with the United States, Japan and the European Union but with South Korea. It is believed that when Kim Jong Il had met with Jiang Zemin and other Chinese government leaders in May shortly before the inter-Korean summit, they urged Kim Jong Il to positively respond to Kim Dae Jung's engagement policy by giving a certain assurance of support for his regime.

In such circumstances, North Korea appears to have concluded that further efforts to improve its relations with the United States and Japan would make no significant headway for the time being, and decided to get necessary foreign aid by improving its relations with South Korea. Such behavior of North Korea — attaching importance to its relations with South Korea when the international situation turns unfavorable to it — is nothing particularly new. In the late 1980s to early 1990s when the communist regime in Eastern Europe had collapsed and the Soviet Union was in utter political turmoil, North Korea shifted the weight of its external policy to improving its relations with South Korea. It may be said that the solid cooperative relationship formed by Japan, the United States and South Korea in pursuit of their North Korea policy had driven that country to come to the negotiating table with South Korea, and that North Korea at the same time tried to break its diplomatic deadlock with Japan and the United States by driving a wedge into the cooperative relationship of the three countries by agreeing to an inter-Korean summit.

(2) The North-South Joint Declaration of June 15, 2000

At midnight, June 14, immediately prior to the scheduled departure of President Kim Dae Jung, he and Kim Jong Il signed a North-South Joint Declaration. In the declaration, they decided, in effect, to postpone a political reunification while agreeing to strengthen their economic ties. It was a historic document in that it has put an end to the diametrical relations of the two Koreas since the division of the country and marked the first step toward peaceful coexistence.

In the fourth paragraph of the Joint Declaration, the North and the South confirmed their agreement to strengthen their economic cooperation. The phrase “promote balanced development of the national economy” means, in effect, that South Korea will assist North Korea in its effort to reconstruct its economy. In this connection, Kim Dae Jung commented that “If we go to North Korea, build railroads, solve the shortage of power, construct highways, ports and harbors, and communications facilities, economic development that has so far taken place only in South Korea would ripple through the entire Korean Peninsula, enabling the South and the North to share its benefits.” And he called it “a win-win policy” that is in the interest of the South and the North. He said to the effect that if the railroads of the two countries were linked, freight and time could be saved, and that if small-to-midsize firms of South Korea that have grown less competitive in recent years are allowed to tap the low-cost labor of North Korea, they could regain their competitive edge on the world markets.

In the political area, the North and the South agreed, in effect, that the division of the peninsula would stand for the time being. In the second paragraph of the Joint Declaration, the two sides agreed to take a gradualistic approach to the issue of reunification by stages. In other words, they agreed to put off reunification for the time being. This is of extreme importance in the sense that the two sides have abandoned the long-standing contention between them about the legitimacy of their respective governments and

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The South-North Joint Declaration

In accordance with the noble will of the entire people who yearn for the peaceful reunification of the nation, President Kim Dae Jung of the Republic of Korea and National Defence Commission Chairman Kim Jong Il of the Democratic People's Republic of Korea held a historic meeting and summit talks in Pyongyang from June 13 to June 15, 2000.

The leaders of the South and the North, recognizing that the meeting and the summit talks, the first since the division of the country, were of great significance in promoting mutual understanding, developing South-North relations and realizing peaceful reunification, declared as follows:

1. The South and the North have agreed to resolve the question of reunification independently and through the joint efforts of the Korean people, who are the masters of the country.
2. Acknowledging that there is a common element in the South's proposal for a confederation and the North's proposal for a loose form of federation as the formulae for achieving reunification, the South and the North agreed to promote reunification in that direction.
3. The South and the North have agreed to promptly resolve humanitarian issues such as exchange visits by separated family members and relatives on the occasion of the August 15 National Liberation Day and the question of unswerving Communists who have been given long prison sentences in the South.
4. The South and the North have agreed to consolidate mutual trust by promoting balanced development of the national economy through economic cooperation and by stimulating cooperation and exchanges in civic, cultural, sports, public health, environmental and all other fields.
5. The South and the North have agreed to hold a dialogue between relevant authorities in the near future to implement the above agreement expeditiously.

President Kim Dae Jung cordially invited National Defence Commission Chairman Kim Jong Il to visit Seoul, and Chairman Kim Jong Il decided to visit Seoul at an appropriate time.

Kim Dae Jung
President
The Republic of Korea

Kim Jong Il
Chairman
National Defence Commission
The Democratic People's Republic
of Korea

(Signed)
June 15, 2000

Source: Translation by Ministry of Foreign Affairs and Trade, Republic of Korea Web site

have thus raised the possibility of bringing about a peaceful coexistence between them. While each side upheld its own ultimate goal of reunification, they realized that an early reunification was impracticable and agreed to put off the issue for the time being. At present, the South and the North have become less keen about reunification due in part to pressing domestic problems they had to address, and have thus become amenable to the postponement of the issue.

In the second paragraph, the two leaders point out that there is a common element in the South's proposal for a confederation and the North's proposal for a loose form of federation that will be run by a central government established from the start but vest regional autonomous governments of the confederal republic with more rights on a tentative basis. In other words, the federal government referred to in the North's proposal that does not have the right to diplomacy and national defense is highly similar to the "intra-Korean summit meetings" and "intra-Korean Cabinet conferences" referred to in the South's proposal for a confederation.

The unification plan proposed by the South Korean government has been called "the three-stage unification plan for building a Korean National Community." It envisions reunification of the South and the North through three stages, namely, (1) the stage of reconciliation and cooperation (put an end to hostility, mistrust and antagonism, exchange visits and cooperate, and pursue peaceful coexistence), (2) the stage of confederacy (systematize the legal and institutional framework, and create and operate South-North confederal machinery), and (3) the stage of completing a unified state (create a political community and complete one nation, one state, one system and one government).

Meanwhile, North Korea proposed in 1980 to organize a national unification government called "the Democratic Confederal Republic of Koryo" (DCRK) with the simultaneous participation of the South and the North, under which each part runs a regional autonomous government. North Korea's plan proposes a direct transition from

the existing situation to a federal state without going through the intermediate stage proposed in South Korea's plan. As the federal state would adopt a policy of neutrality and does not allow the stationing of foreign troops in the country, it was unacceptable to South Korea. However, in his 1991 New Year's address, Kim Il Sung suggested the possibility of accepting, in the run-up to the formation of a federal state, the notion of allowing local governments the right to diplomacy and national defense by stating that "in an effort to make it easier for the whole nation to reach an agreement on this proposal (to form the DCRK), we are ready to consult on the matter of gradually and completely effecting reunification through confederation by vesting the regional autonomous governments of the confederal republic with more rights on a tentative basis, and then increasing the functions of the central government in the future."

Officially, North Korea demands even after the inter-Korean summit an immediate reunification in the form of an editorial of *Rodong Sinmun* (the official organ of the Workers' Party of Korea). According to South Korea, however, at the summit with Kim Jong Il, President Kim Dae Jung stated that "unification by completed form of federation system is impossible in reality. 'Confederation system' in which two independent governments exist and cooperate mutually is desirable actually," and Chairman Kim Jong Il expressed the same thought.

In addition, the Joint Declaration stresses the importance of the autonomy of the Korean people (Paragraph 1), the settlement of humanitarian issues such as the reunion of separated family members (Paragraph 3), and the promotion of dialogue between the authorities of the South and the North (Paragraph 5).

More specifically, Paragraph 1 states, in part, that the North and the South have agreed to resolve the question of reunification "independently and through the joint efforts of the Korean people." It is said that this particular phrase was inserted in the declaration at the strong insistence of North Korea, and it can be taken as a

prop to reinforce its official position demanding the withdrawal of U.S. forces from South Korea. Kim Dae Jung explained that it did not mean the elimination of foreign forces from Korean soil but that the North and the South should settle the reunification issue on their own while maintaining good relations with friendly powers. According to the South Korean government, Kim Dae Jung stated at the summit that “(t)he U.S. forces in Korea must continue to stay, not just until unification, but thereafter. Because the U.S. troops are here, peace and security in Northeast Asia is maintained.” He was quoted as saying that “Without the U.S. Armed Forces in Korea, there can be some vacuum in the balance of power in East Asia, including the Korean Peninsula.” According to the same source, Kim Jong Il concurred with President Kim on the role of U.S. forces by saying, “I do think continued U.S. military presence on the Korean Peninsula is beneficial to peace and stability in Northeast Asia.” Provided that these statements had actually been made, it would be safe to assume that Paragraph 1 of the Joint Declaration was so constructed on a concession by South Korea made to save face for Kim Jong Il.

Paragraph 3 of the Joint Declaration is aimed at realizing the reunion of separated families, an important pending matter for the South Korean government, in exchange for the repatriation of “unswerving Communists who have been given long prison terms in the South.” South Korea has consistently given top priority as a humanitarian issue to a reunion of aging family members or verification of their survival. In response, North Korea promised to take steps to realize it. However, this paragraph did not touch on the question of repatriation of South Korean prisoners of war who are believed to be in custody in North Korea or the South Korean nationals who were abducted to North Korea. And the omission of this issue has provoked a popular backlash in South Korea. In response, the South Korean government takes the position that the question will be addressed as part of the separated families issue.

Lastly, the Joint Declaration mentions an agreement to hold a

dialogue between relevant authorities in the near future and an invitation Kim Dae Jung extended to Kim Jong Il to visit Seoul. South Korea indicated that expeditious implementation of these agreements was an absolute necessity to develop sustainable mutually beneficial relations. But with the declaration stopping short of setting a date for Kim Jong Il's Seoul visit, North Korea may try to gain the upper hand in future talks by capitalizing on plans of the visit.

Overall, however, it may be said that the interests of both sides are evenly balanced in the June 15 Joint Declaration. It is in line with the principles of the engagement policy of South Korea, namely, postponement of reunification for the time being, development of closer economic cooperation, settlement of the humanitarian issues, and promotion of dialogue between the government authorities of the two countries. On the other hand, North Korea has achieved its objectives, namely, Korea's autonomous pursuit of the reunification policy, acknowledgement of its federation plan, repatriation of unswerving Communists from South Korean prisons, and the promise of full-scale economic aid from South Korea.

Needless to say, the substance of the Joint Declaration was not entirely satisfactory to either side. For one thing, an end to the Cold War confrontation and establishment of peace between the two countries, one of the key issues addressed in the Berlin Declaration, was not reflected in the Joint Declaration. In this sense, South Korea was not happy about the substance of the Joint Declaration. For another, while South Korea's promise of economic aid was absolutely essential to rehabilitating its economy, North Korea runs the long-term risk of exposing its people — and its regime — to outside influence by accepting closer cooperation and contact with South Korea.

During the talks, the heads of the two states took up pending issues that were not incorporated into the Joint Declaration. Kim Dae Jung disclosed that he had discussed with Kim Jong Il the issues of the U.S. Forces in Korea and the National Security Law.

Although the Joint Declaration did not touch on these issues in part because of their politically sensitive nature, they had a candid exchange of views. As noted earlier, Kim Jong Il did express the view that the U.S. Forces in Korea played an important function. When Kim Jong Il demanded the repeal of the National Security Law of South Korea that characterized North Korea as an anti-State organization, Kim Dae Jung retorted that the Charter of the Workers' Party of Korea that advocates the communization of the Korean Peninsula should be abolished. In response, Kim Jong Il reportedly remarked that he would affirmatively consider the matter. In fact, at a meeting he subsequently had with a group of the presidents of South Korean newspaper companies, he reportedly remarked that "the Charter of the Workers' Party is not fixed forever. We can change it anytime," and that the National Security Law "is a matter internal to South Korea and has nothing to do with us." Meanwhile, Kim Dae Jung said in August that "the National Security Law will have to be revised to fit reality."

Kim Dae Jung tried to take up the missile issue during the talks, but Kim Jong Il allegedly showed no reaction.

2. North-South Relations after the Inter-Korean Summit

(1) Increasing Mutual Visits between the North and the South

Following the inter-Korean summit and the Joint Declaration, North-South relations have changed significantly. Toward the end of June, a North-South Korean Red Cross meeting was held, at which they reached an agreement concerning exchange of visits of separated families, establishment and management of places of meeting, and the repatriation of imprisoned "nonconverted" Communists to North Korea. Pursuant to this agreement, a group of 100 separated families each from the North and the South exchanged visits in mid-August, and 63 nonconverted long-term prisoners wishing to be repatriated were sent back to North Korea

early in September. And another exchange of visits of separated families, the second after the inter-Korean summit, was made toward the end of November. It came to light that a male South Korean who was believed to have been abducted to North Korea was among the separated families who showed up in Pyongyang.

At the inter-Korean ministerial talks held late in July, the two countries agreed to (1) resume the operations of the North-South Liaison Office at Panmunjom, (2) take appropriate measures to ensure that members of Chongryun (the General Association of Korean Residents in Japan) can form tour groups to visit their hometown in South Korea, and (3) hold consultations on the reconstruction of a 20-kilometer section of the Seoul-Shinuiju Railway.

At the second inter-Korean ministerial meeting held in Pyongyang in late August and early September, the two sides agreed to (1) carry out the second program of exchanging visits of groups of separated families and relatives within the year 2000, (2) hold inter-Korean military authorities talks, (3) establish working-level contact between economic specialists of the North and the South, and (4) hold within September a working-level meeting between them to discuss matters relating to establishing a rail link between Seoul and Shinuiju, and the construction of a highway between Munsan, South Korea and Kaesong, North Korea. At the third inter-Korean ministerial meeting held in Cheju Island toward the end of September, the two parties agreed to establish a Committee for the Promotion of Inter-Korean Economic Cooperation to discuss and implement various issues to expand exchange and cooperation in the economic field.

At the second North-South Red Cross meeting held late in September, they agreed to exchange visits of the second groups of separated families in November and the third groups in December. To find out the whereabouts of members of separated families, they agreed to exchange a list of 100 people in September and October, and allow 300 people whose whereabouts are verified to exchange letters between surviving members of separated families. In addi-

tion, the North and the South had a working-level meeting on economic cooperation in Seoul late in September.

In mid-September Kim Yong Sun, secretary of the Central Committee of the Workers' Party of Korea and a confidant of Kim Jong Il, visited South Korea and exchanged views on various pending matters with leaders of South Korea.

Reunion of separated family members (August 15, 2000, Pyongyang) (Reuters-Kyodo Photo)

And on September 15, South and North Korean athletes paraded together at the opening ceremony of the Sydney Olympics under a single "unification flag." On October 3, North Korea sent letters to the government, political parties and social groups of South Korea inviting them to attend the 55th anniversary of the founding of the Workers' Party of Korea scheduled for October 10. Initially, the South Korean government had decided against the visits, but subsequently, it changed its mind and authorized some of them to go to Pyongyang in the interest of North-South relations.

To facilitate economic exchange between them, the North and the South have taken steps to change their regulatory systems. At a North-South working-level meeting on economic cooperation held in November, they initialed an agreement that provided for (1) the protection of investment, (2) the avoidance of double taxation, (3) settlement of accounts and payment, and (4) procedures for settling disputes arising from business transactions. As of September 2000, the dollar value of trade between the two countries rose to \$329.99 million, up 27.9 percent from a year ago.

(2) Signs of Easing Military Tension

The progress the South and the North have made thus far in their relations was largely confined to economic cooperation and humanitarian issues. More recently, however, some progress has been made in the military area, also. First, North Korean armed forces had maintained an uncompromising attitude toward South Korea. After the inter-Korean summit, however, there have emerged signs of softening in their attitude. In March, three months before the inter-Korean summit, the Navy Command of the Korean People's Army had unilaterally established a "waterway for navigating" (a sea route) in an area to the south of the Northern Limit Line (NLL). It then issued a warning that any warship or civilian vessel going beyond the designated zones and waterways will be considered an outright intrusion into the territorial waters of North Korea. However, when a South Korean fishing boat that was fishing in the sea adjacent to Paeknyong Island crossed the Northern Limit Line by mistake June 15, the North Korean navy sent the fishing boat back to South Korea without taking any punitive measure.

Second, after 6:00 p.m., June 15, North Korea stopped anti-South Korea propaganda broadcasts. After the inter-Korean summit, North Korea stopped characterizing the South Korean armed forces as "the south Korean puppet army" and started calling it the "south Korean army." In response, South Korea decided not to use slanderous remarks about the North Korean authorities by dropping the words "the north Korean puppet army" that had been used within the military and started calling it "the north Korean army."

Third, a Defense Ministers meeting was held for the first time toward the end of September, and this has touched off a series of mutual contacts between defense officials of the two countries. At that meeting, South Korea was represented by Minister of National Defense Cho Seong Tae, and North Korea by Minister of the People's Armed Forces Kim Il Chol. The meeting has produced an agreement about a project of establishing a rail link and building

highways between the two parts of Korea, to open the military demarcation line and the demilitarized zone in parts adjacent to the railroads and highways, and settle the question of establishing their respective areas of control pursuant to the Korean Armistice Agreement. As North Korea had long claimed that the Armistice Agreement had become dysfunctional, the recognition of the validity of the Armistice Agreement represents important progress. The South Korean government characterized the Defense Ministers meeting as “the most important development after the inter-Korean summit” and stressed the importance of translating the political reconciliation thus achieved to a military accommodation.

Although South Korea proposed at the Defense Ministers meeting several confidence-building measures such as the installation of a military hot line and giving prior notification of unit movements and military exercises, it could not get agreement from the North. This suggests the difficulty of translating political reconciliation into a military accommodation.

In October, the United Nations Command sent a letter to North Korea vesting the Ministry of National Defense of South Korea with the power to consult with North Korea about safety measures to be taken in connection with the removal of land mines in areas adjacent to the railroad and highways to be built in the demilitarized zone. At the first working-level military talks held in November between the North and the South, both sides confirmed each other's position on the question of establishing areas of control in the Demilitarized Zone and the construction projects to be undertaken. And at the second working-level military talks held in December, they discussed specifics of the question of establishing their respective control areas.

(3) North Korea's Political Maneuvering to Divide South Korea

One should not forget the fact that the development of closer relations between the North and the South did not exactly come about through good intentions of the two sides alone. It was

brought about at great expense to South Korea. As an inducement to cooperation to develop better relations, the South Korean government has provided various forms of assistance to North Korea. For instance, the South Korean government announced shortly before an inter-Korean ministerial meeting that it would ship 100,000 tons of fertilizer in additional economic aid to North Korea within the month of August. On September 28, the South Korean government decided on \$100 million food aid pursuant to an agreement signed with North Korea: 300,000 tons of rice and 200,000 tons of corn in food loans, and 100,000 tons of corn through the World Food Programme.

It is true that while its relations with North Korea have improved, there is criticism in South Korea of the Kim Dae Jung administration's policy toward the North. Chairman Lee Hoi Chang of the Grand National Party, for one, points out that the Joint Declaration "does not make even a passing mention of the relaxation of tension and settlement of peace in the Korean Peninsula." This notwithstanding, Kim Dae Jung claims unilaterally that the threat of war has disappeared, Chairman Lee charges. Some quarters accuse the government of unilaterally sending back the "unswerving Communists" to the North in the absence of a reciprocal move from the North as to the repatriation of South Korean prisoners of war and those abducted by North Korea. Although Kim Dae Jung assured the nation that the question of South Korean prisoners of war and abducted nationals will be settled, doubts about the possibility of realizing their repatriation remain.

The fact that criticisms of the North Korea policy of the Kim Dae Jung administration are rooted in part in domestic politics is making things even more complex. For instance, former President Kim Young Sam has launched a campaign against the proposed visit of Kim Jong Il to Seoul. He charges that Kim Jong Il is "a terrorist" who masterminded the midair bombing of a Korean airliner and the abduction of South Koreans. However, many suspect that Kim Young Sam leads the campaign motivated not so much by his mis-

givings about Kim Dae Jung's North Korea policy as by his desire to stage a comeback to the political stage. Rivalries between conservatives and liberals have intensified over the North Korea policy of the Kim Dae Jung administration. The rivalries are called "friction within South Korea" and have become a political problem.

On the other hand, North Korea is attempting to gain influence on the domestic politics of South Korea by showing a friendly attitude toward South Korean individuals and organizations who take an affirmative stance on North-South relations, and by leveling scathing criticisms at those who are critical of Kim Jong Il and the engagement policy. In August, for instance, Kim Jong Il gave an interview to a visiting group of presidents of South Korean media and showed a friendly attitude by exchanging views with them. The group has met its North Korean counterparts and released a joint agreement of media organizations vowing that they will "conduct positive activities helpful to achieving national unity and realizing reunification." The joint statement, it must be noted, has the effect of imposing self-restraints on media organizations against any criticism of the North. At the same time, North Korea leveled harsh criticism at Lee Hoi Chang and others who are critical of the engagement policy.

3. International Impact of the Inter-Korean Summit

It is fair to say that the inter-Korean summit was a product of the Perry Process that the United States had been pressing ahead with and South Korea's engagement policy toward the North. With a view to persuading North Korea to join the international community, Japan, the United States and South Korea had shown to North Korea the path to normalization of relations. And it may be said that by agreeing to hold an inter-Korean summit North Korea made the first step in the process of normalizing relations with South Korea, the United States and Japan. In fact, U.S.-North Korea relations and the normalization talks between Japan and

North Korea began to gather momentum after the inter-Korean summit.

Thus, it may be said that basically, the inter-Korean summit has touched off a current conducive to improving the international environment for North Korea. On the other hand, North Korea attempted, by taking advantage of its improving relations with South Korea, to shake up the regime of cooperative relations among the three countries. In response, South Korea has been endeavoring to maintain good relations with Japan, the United States and other countries by minimizing the side effects of improved relations with North Korea while stressing the achievements it has accomplished through the inter-Korean summit.

Aware that the cooperative relationship formed by Japan, the United States and South Korea to press ahead with their North Korea policies in unity has been strengthened, North Korea is believed to be trying to undercut the coordination of policies of these three countries by improving its relations with South Korea. With the long hoped for direct dialogue between the North and the South thus realized, it appears that the cooperative relationship of the three countries has lost its centripetal force somewhat. In this sense, North Korea's policy has achieved its objective to a certain extent. For instance, arguments urging the public to take a second look at the role played by the U.S. Forces in Korea have begun to gather momentum in the United States and in South Korea. Particularly, this tendency has become pronounced in South Korea where nationalistic sentiment is rising. In response, the governments of the United States and South Korea pointed out that the military threat of North Korea has not abated. And by stressing the multifaceted roles played by the U.S. Forces in Korea, the two governments reaffirmed that the U.S. forces will remain in South Korea even after the threat from North Korea has disappeared. After a meeting with the foreign minister of South Korea in June 2000, U.S. Secretary of State Madeleine Albright cited "deterrence" and "stability in the region" as reasons for the U.S. forces to main-

tain its presence in South Korea. In response, Lee Joung Binn, Minister of Foreign Affairs and Trade of South Korea, stressed that “the American forces will be needed here even after the establishment of a peace regime on the Korean Peninsula. The American forces will continue to play the role of a guarantor of the balance of power and a stabilizing force in this part of the world.” However, the news media of North Korea stated, with a view to developing a rift between the United States and South Korea, that “the peaceful reunification of Korea requires the U.S. troops’ pullback from South Korea, détente between the North and the South, and lasting peace.”

North Korea is trying not only to shake up the cooperative relationship of Japan, the United States and South Korea. It is trying to apply pressure on Japan and the United States to normalize their relations with North Korea by creating a situation where these two countries lag behind South Korea in moves for mending relations with Pyongyang. Japan and the United States have consistently sought progress in an inter-Korean dialogue and supported the engagement policy of South Korea. And on account of this position, Japan and the United States, especially now that North-South relations are improving appreciably, are politically under pressure to follow the Seoul government in their relations with North Korea. One source of that pressure is none other than South Korea, which, encouraged by improvement in its relations with North Korea, has come to urge the United States and Japan more strongly to normalize their relations with North Korea. Particularly, acting in the belief that economic assistance from Japan following normalization of relations with North Korea is absolutely indispensable to a full-scale reconstruction of North Korea’s economy, South Korea has on repeated occasions urged the Japanese government to speed up normalization talks with North Korea.

North Korea has been trying to exploit its increasingly closer relations with South Korea to its maximum diplomatic advantage.

Table 1-1. Developments after the Perry Report

1999	
Sept.	<p>13 William Perry sends a report to the U.S. Congress.</p> <p>17 The U.S. government announces the relaxation of part of its sanctions against North Korea.</p> <p>24 The DPRK Foreign Ministry indicates that it will not test launch missiles while talks with the United States continue.</p>
Oct.	12 The United States government releases the Perry Report to the public.
Nov.	<p>2 The Japanese government announces the resumption of charter flights to North Korea.</p> <p>8-9 A meeting of the Trilateral Coordination and Oversight Group (TCOG) of Japan, the United States and South Korea is held in Washington, D.C.</p> <p>15-19 High-ranking officials of the U.S. and DPRK governments meet in Berlin (with a day off on the 18th).</p>
2000	
Jan.	<p>4 North Korea establishes diplomatic relations with Italy.</p> <p>22-28 High-ranking officials of the U.S. and DPRK governments meet in Berlin.</p>
Feb.	1 A TCOG meeting of Japan, the United States and South Korea is held in Seoul.
March	<p>6 Kim Dae Jung issues the Berlin Declaration.</p> <p>7 The Japanese government announces its decision to ship about 100,000 tons of rice in food aid to North Korea.</p> <p>7-15 High-ranking officials of the U.S. and DPRK governments meet in New York.</p> <p>9 The United States and North Korea discuss the terrorism issue in New York.</p> <p>13 The U.S. secretary of state and the ROK foreign minister meet in Washington, D.C.</p> <p>30 A TCOG meeting of Japan, the United States and South Korea is held in Tokyo.</p>
April	<p>4-7 The ninth plenary session of Japan-DPRK normalization talks is held in Pyongyang.</p> <p>24 In a comment carried by the Korean Central News Agency of North Korea, DPRK government rejects a Japanese proposal to deal with the question of "compensation" by a property claim formula.</p>
May	<p>1 The U.S. Department of States releases <i>Report on the World Terrorist Activities, 1999</i>.</p> <p>8 A working-level defense officials meeting of Japan, the United States and South Korea is held in Cheju Island, ROK.</p> <p>8 North Korea resumes diplomatic relations with Australia.</p> <p>12 A TCOG meet of Japan, the United States and South Korea is held in Tokyo.</p> <p>17 The Japanese government decides to postpone the tenth plenary session of Japan-DPRK normalization talks.</p> <p>24-30 High-ranking officials of the U.S. and DPRK governments meet in Rome.</p> <p>25 A U.S. inspection team visits underground facilities in Kumchang-ri, North Korea.</p>

- June 8 A Japan-ROK summit and a U.S.-ROK summit are held.
- 13-15 An inter-Korean summit is held in Pyongyang.
- 15 The U.S. Department of Agriculture announces its decision to ship 50,000 tons of wheat to North Korea.
- 19 The U.S. government announces that it will relax an additional part of its economic sanctions against North Korea.
- 20 The DPRK Ministry of Foreign Affairs announces that the freeze on test launching of missiles will continue.
- 23 U.S. Secretary of State Madeleine Albright visits South Korea.
- 29-30 A TCOG meeting of Japan, the United States and South Korea is held in Honolulu.
- July 10-12 The fifth U.S.-DPRK missile talks are held in Kuala Lumpur.
- 12 North Korea establishes diplomatic relations with the Philippines.
- 19 A U.S.-DPRK high-ranking officials meeting is held in Berlin.
- 26 The South Korean government announces that it will ship 100,000 tons of fertilizer in grants-in-aid to North Korea.
- 26 The DPRK foreign minister meets with his South Korean and Japanese counterparts separately in Bangkok.
- 27 North Korea participates in the ASEAN Regional Forum for the first time.
- 28 The U.S. secretary of state and the DPRK foreign minister meet in Bangkok.
- Aug. 8-12 The Japanese government sends an inspection team to North Korea to inspect the state of distribution and use of the rice it has shipped in food aid.
- 9-12 A U.S.-DPRK meeting on terrorism is held in Pyongyang.
- 12 Kim Jong Il meets with a group of presidents of South Korean media in Pyongyang.
- 21-24 The 10th plenary session of Japan-DPRK normalization talks is held in Tokyo.
- Sept. 28 The South Korean government decides to give about \$100 million worth of food in grants-in-aid to North Korea.
- Oct. 6 The Japanese government announces that it will ship 500,000 tons of rice in grants-in-aid to North Korea.
- 9-12 Cho Myong Rok visits Washington as a special envoy of General Secretary Kim Jong Il.
- 23-24 U.S. Secretary of State Madeleine Albright visits Pyongyang.
- 25 The United States, Japan and South Korea hold a foreign ministerial meeting in Seoul.
- 30-31 The 11th plenary session of Japan-DPRK normalization talks is held in Beijing.
- Nov. 1-3 U.S.-DPRK missile talks are held in Kuala Lumpur.
- 3 A working level meeting of defense officials of Japan, the United States and South Korea is held in Honolulu.
- 15 Japan-ROK and U.S.-ROK summit meetings are held separately.

Source: Compiled on the basis of data drawn from official documents and newspapers of ROK.

However, South Korea has been endeavoring to maintain its closer cooperative relations with Japan, the United States and other countries by minimizing the side effects of closer relations with North Korea on its relations with the United States while playing up the achievements made at the inter-Korean summit. And South Korea has taken pains to explain in great detail after the summit what transpired at the meeting to its neighboring countries, particularly Japan and the United States. On June 16, the day immediately following talks with Kim Jong Il, Kim Dae Jung had a telephone conversation with U.S. President Bill Clinton about what was discussed at the summit, and reported that he had explained to Kim Jong Il his position on the nuclear and missile issues, and had told him that the development and test launching of missiles would have an adverse impact on North-South relations. He told President Clinton that the word "independently" appearing in the Joint Declaration does not mean the elimination of foreign forces but that it means that the North and the South should solve problems between them on their own while maintaining good relations with their respective friendly countries. On the following day, June 17, Kim Dae Jung called Prime Minister Yoshiro Mori to say that he had discussed the issues of nuclear weapons and missiles. He told Prime Minister Mori that Kim Jong Il knew of the remark President Kim had made earlier that the presence of the U.S. Forces in Korea even after a reunification of Korea would play a useful role in maintaining stability in Northeast Asia. In response, Japan and the United States re-emphasized that further progress in North-South dialogue was essential for peace and stability in the Korean Peninsula.

The inter-Korean summit held in June 2000 was a historic event in the sense that it raised the possibility of bringing about a profound change in North-South relations. Moreover, its significance will not be confined to the Korean Peninsula alone. Indeed, the inter-Korean summit has the potential of becoming a trigger for bringing about a crucial turning point in the U.S.-North Korea and

Japan-North Korea relations. North Korea may have begun to pursue the path toward normalization of relations and peaceful coexistence with other countries along the lines laid down in the Perry Process.

