

Part II

Regional Outlook

Chapter 4

The Korean Peninsula

Relations between the two Koreas and between the United States and North Korea were stagnant in 2001. North Korea, which had participated in the inter-Korean summit and held ministerial-level visits with the United States the previous year, produced no concrete results in its talks with South Korea nor attempted to promote dialogue with the United States in 2001. This was a sign of North Korea's dissatisfaction and concern about South Korea's declining assistance toward it and about the harsh attitude taken against the North by the newly inaugurated Bush administration in the United States. The fact that North Korea put up its guard with respect to the war against terrorism also became an obstacle for the inter-Korean talks. Consequently, there were no concrete achievements made toward easing the military tension.

South Korean President Kim Dae Jung has no intention of abandoning his Sunshine Policy. With the next presidential election imminent, however, he has begun to be considered a lame duck, and differences have emerged in his views concerning North Korea and those of President George W. Bush and his administration. Both of these points render it difficult for the Kim Dae Jung administration to make any great concessions to North Korea.

On the other hand, in clouding the realization of a visit to Seoul by Kim Jong Il, chairman of the National Defense Commission, North Korea did not show any willingness to make concessions to South Korea. Domestically, North Korea is trying to maintain and strengthen its military power under slogans such as "the building of a powerful nation" and "army-centered politics." Although it is sticking to the missile test moratorium, as its 2003 time limit is approaching, the possibility cannot be completely ruled out that it will bring out the threat of missiles as a bargaining chip. The close watch on the activities of North Korea must be continued.

1. The Setting Sun on Mount Kumgang: North-South Relations

(1) Stagnancy in the Governmental Talks

After the inter-Korean summit in June 2000, frequent exchanges began between the governments of the two Koreas. After the spring of 2001, however, North Korea began to stall the talks, and did not agree on the holding of a second summit. Consequently, no great progress has been seen in terms of relieving the military tension, for which the South Korean government had been hoping.

The North-South Joint Declaration signed at the summit by President Kim Dae Jung of the Republic of Korea (ROK) and Chairman Kim Jong Il of the Democratic Peoples' Republic of Korea (DPRK) put the emphasis on solutions and promotion by both parties on (1) the question of reunification, (2) humanitarian issues and (3) social and economic cooperation and exchanges. The Joint Declaration stated that Kim Jong Il would visit Seoul at "an appropriate time."

The South Korean government had been aiming to relieve the tension and establish peace on the Korean Peninsula by living up to its part in the agreements. It seemed that Kim Dae Jung's long-cherished Sunshine Policy was finally producing results.

Initially, the mutual exchanges appeared to progress favorably with the ministerial talks being used as the channels of consultation. Standing as one of the symbols of the initiative was the construction project to reopen rail and road links between North and South, which got under way in September 2000 in South Korea. Working-level military meetings were held between officers from both forces to develop regulations for control in the Demilitarized Zone (DMZ), through which the railways and roads must pass.

By March 2001, however, it had become apparent that the North was stalling North-South relations. The fifth ministerial talks, originally scheduled for March 13, were cancelled by a unilateral announcement from the North in the morning of the day in question. They were

cancelled, according to North Korea, as a result of “considering various circumstances.” Around the same time, other talks and the reunions of separated families were brought to a stop. On February 8, the fifth working-level military meeting was held. Agreement was reached in this meeting on the demining of the DMZ. This was to be the last meeting, however. After that, North Korea would not agree to meet, and construction of the North side of the road and rail links was not commenced.

On September 2, the North called for talks again. This triggered the fifth inter-Korean ministerial talks, which took place in Seoul from September 15-18, a period of about 9 months after the fourth ministerial talks. Both sides agreed to promote economic cooperation and to resume the reunion of separated families. It was also decided that the sixth ministerial talks would be held from October 28.

The fifth talks seemed to have revived the dialogue. However, North Korea unilaterally announced deferment of mutual visits by families separated between the North and South on October 12, and the sixth ministerial talks scheduled on October 28 were cancelled because of failure to agree upon a venue. South Korea had initially proposed Pyongyang, then Mount Myohyang, which is relatively close to Pyongyang, but the North Korean side never wavered from its insistence on Mount Kumgang.

On November 2, South Korea decided to concede regarding the venue, and the sixth ministerial talks were held at Mount Kumgang from October 9-14. At these talks, both sides agreed in principle to hold a seventh round of ministerial talks and a second Committee for the Promotion of Inter-Korean Economic Cooperation. They also agreed to proceed with the reunion of separated families at Mount Kumgang in December. North Korea, however, again insisted that Mount Kumgang be the venue of the second committee meeting, which conflicted with the South Korean wish that the next venue be Seoul, as had been scheduled originally. Final agreement was never reached. This effectively signaled the collapse of the sixth ministerial talks.

Table 4-1. Governmental Exchanges between North and South Korea after the Summit

Year	Month	Ministerial Talks	Economic Cooperation Working-level Contact (Director General level)	Committee for the Promotion of Inter-Korean Economic Cooperation (Vice Minister level)	Defense Ministers Talks
2000	June				
	July	First (29-31, Seoul)			
	Aug.	Second (29-Sept. 1, Pyongyang)			
	Sept.	Third (27-30, Jeju Island)	First (25-26, Seoul)		First (25-26, Jeju Island)
	Oct.				
	Nov.	[Fourth]	Second (8-11, Pyongyang)		[Second]
	Dec.	Fourth (12-16, Pyongyang)		First (27-30, Pyongyang)	
2001	Jan.				
				[Second]	
	Feb.				
		[Fifth]			
	Mar.				
	Apr.				
	May				
	June				
	July				
	Aug.				
	Sept.	Fifth (15-18, Seoul)			
		[Sixth]		[Second]	
	Oct.				
	Nov.	Sixth (9-14, Mount Kumgang)			
	Dec.				

Sources: Compiled from *Rodong Sinmun*, relevant issues of *RP Kita-Chosen Seisaku Doko* and other references.

Notes: "[]" means that meeting was scheduled but cancelled. "North Visit" is a visit to North Korea by South Koreans and "South Visit" is a visit to South Korea by North Koreans.

Military Working-level Talks (Brig. Gen.- Colonel level, at Panmunjom)	The Red Cross Talks	Separated Families Remarks	Others
	First (27-30, Mount Kumgang)		Summit (13-15, Pyongyang)
			Foreign Ministers Meeting (26, Bangkok)
		First visit (15-18)	North Visit by media presidents delegation (5-12)
	Second (20-23, Mount Kumgang)		Remanding unconverted long-term prisoners (2) South Visit by envoy, Kim Yong Sun (11-14)
First (28)		Second visit (30-Dec.2)	
Second & Third (5 & 21)			
Fourth (31)	Third (29-31, Mount Kumgang)		
Fifth (8)		Third visit (26-28), confirmation of whereabouts.	First Electricity Cooperation Subcommittee (7-10, Pyongyang), First Imjin River Disaster Prevention Subcommittee (21-24, Pyongyang)
		Letter exchange (15)	North Visit by Minister of Culture & Tourism Kim Han Gil (10-14), South visit by delegation to express condolences on death of Chung Ju Yung (24)
	[Fourth]		
		[Fourth visit]	Mount Kumgang tourism talks (4-5, Mount Kumgang)

What mattered even more than the stagnation and collapse of the talks was the fact that Kim Jong Il did not visit Seoul. Then, North Korea began to avoid reference to the issue of the visit. The negative attitude taken by the North Korea was no help for the realization of the confidence building measures (CBM) that the Kim Dae Jung administration had hoped to achieve through the summit.

(2) Tenacity and Caution

There are several conceivable reasons why North Korea stalled the governmental talks and exchanges with South Korea in 2001. One is probably disappointment that the economic support from South Korea had not met its expectations. The Bush administration's war against terrorism and its new North Korean policy, which increased the sense of alert on the North Korean side, must also have contributed.

North Korea's main concern in the inter-Korean dialogue and exchanges was to obtain economic support. The negative attitude shown in the issues of Chairman Kim Jong Il's visit to Seoul and CBM was in stark contrast to this concern. North Korea had been repeating its request that South Korea provide it with electric power since the fourth ministerial talks in December 2000. As for the Mount Kumgang tourism project, since Hyundai Asan, the South Korean company responsible for its management, was unable to pay the hard currency promised to North Korea due to the decline in the number of tourists, the North demanded that the South government guarantee the payment. The annual sum Hyundai Asan was supposed to pay for 2001 was \$144 million, which was a considerable amount for the North Korean authority.

In June 2001, the South Korean government utilized public funds for the Mount Kumgang tourism project so that payment to North Korea could continue, albeit only temporarily. This is considered to have been a positive influence on the restarting of ministerial talks in September. However, the project is still in the red.

North Korea's insistence on having the inter-Korean dialogue and

exchanges at Mount Kumgang must have been to some degree based on putting this project back on its feet. At the same time, another probable reason is that the flow of information into other regions of North Korea could be more easily prevented if these events took place at Mount Kumgang. It has been pointed out that North Korea would not undertake the construction of inter-Korean railways and roads because of a similar sense of alarm among the military.

Be it electric power or the Mount Kumgang tourism project, it is not easy for the South Korean government to launch direct, large-scale assistance. This is due in part to the fact that bearing the burden is financially difficult. A more significant factor, however, is the critical stance of the opposition parties and the media on the Kim Dae Jung administration's North Korean policy, as mentioned later. If North Korea is only in pursuit of economic support, it seems likely that there will be no significant progress in inter-Korean relations for the time being.

North Korea brought a stop to the exchange visits by separated families in North and South Korea in October. As a reason for this, it claimed that the entire army and police forces in South Korea had been taking a hostile attitude toward the North. It said that this was being done under the pretext of taking emergency alert measures against terrorism. At the sixth ministerial talks in November, North Korea repeated this allegation. South Korea argued that those measures were not intended for North Korea, but this did not convince the North. An element of negotiation strategy – using the position as an attempt to gain concessions from South Korea and the United States – probably exists in the North Korean stance. Nevertheless, considering the fact that the the United State has designated North Korea as a terrorist-supporting state, it is quite possible that its sense of alert was realistic to a certain degree.

Table 4-2. Agreements of Fourth and Fifth Inter-Korean Ministerial Talks

	Fourth Talks (Dec. 12-16, 2000, Pyongyang)	Fifth Talks (Sept. 15-18, 2001, Seoul)	Remarks
Establishment and management of Committee for the Promotion of Inter-Korean Economic Co-operation	Discussion and solutions for electricity cooperation, rail & road links, construction of Kaesong Industrial Park, Imjin River Disaster Prevention, etc.	Second on Oct. 23-26	First held Dec. 27-30. Second talks, scheduled for Oct. 23-26, 2001, were cancelled.
Road and rail links		To be linked with Kaesong Industrial Park; start construction with view to early opening after the signing of military guarantee agreement	
Cooperation between North and South Korea, and Russia		Cooperation in linking railways; discussion on linkage of gas pipeline	
Kaesong Industrial Park		Start construction after determining the plan by early working-level contact	
Mount Kumgang tourism project		Governmental talks Oct. 4 for revitalization; discussion and solutions for tourism by land, etc.	
Mutual passage in territorial waters by private vessels		Early working-level contact among marine transportation-related people	
Imjin River Disaster Prevention		Start fact-finding in Nov., as soon as necessary steps have been taken between the military authorities	
Fishery cooperation	Issue of providing part of North fishery to South discussed at Mount Kumgang	Early working-level contact	
Exchanges by Tae Kwon Do organizations	Discussion among Tae Kwon Do organizations	Working-level discussion on delegations in Oct. and Nov.	Oct. and Nov. visits cancelled
Separated families	Confirmation of whereabouts in Jan. & Feb. 2001; letter exchange in March; exchange between the 3rd visiting group at end of Feb.	Exchange between 4th visiting group Oct. 16-18	Exchange between 4th visiting group Oct. 16-18 cancelled

	Fourth Talks	Fifth Talks	Remarks
Mount Halla tourists and economic study groups from North	To be sent in March 2001 and first half of the year, respectively		
Agreements on investment protection, prevention of double taxation, etc.	To come into effect	To come into effect soon	
Next meeting	Fifth in March 2001	Sixth from Oct. 28-31	Sixth held from Nov. 9-14 at Mount Kumgang

Source: Press releases from ROK Ministry of Unification.

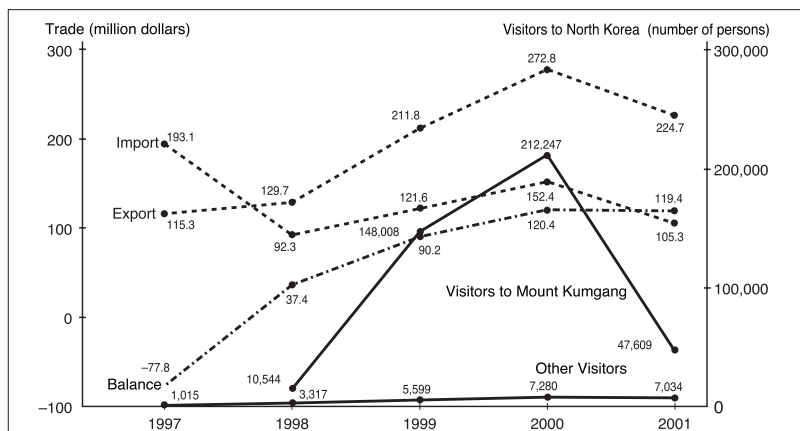
2. Isolated President: South Korea

(1) Countering the Waves That Make the President a “Lame Duck”

The “engagement policy” (Sunshine Policy) of the Kim Dae Jung administration, and economic cooperation for North Korea in particular, took place subject to restrictions from domestic politics. The buildup for the next presidential election in December 2002 has begun, and the leadership of Kim has started to show signs of wear. Nevertheless, he has stuck to his Sunshine Policy.

Successive presidents in South Korea have faced the so-called “lame-duck syndrome,” in which they rapidly lose momentum in the second half of their term in office. In the case of Kim Dae Jung, the approval rating of more than 50 percent that his administration had enjoyed in August 2000 fell to a little above 20 percent in 2001. An economic downturn, increased unemployment rates, several political and bureaucratic scandals, and favoritism for those from the Jeolla (Cholla) region (the president’s birthplace) in government and military personnel matters, all contributed to the drop in popularity.

The public, the opposition Grand National Party (GNP), and anti-Kim Dae Jung newspapers even pointed the finger of criticism at the

Chart 4-1. Inter-Korean Exchanges from South Korea

Source: ROK Ministry of Unification, *Overview of Intra-Korean Interchange & Cooperation*, No. 123 (November 2001).

Notes: "Other visitors" among "visitors to North Korea" are those from South Korea who visited regions in North Korea other than Mount Kumgang. Export is that from South to North (including export in the nature of assistance), and import is that from North to South. The numbers for 2001 are values of that year from January to September.

Sunshine Policy, with its objective of accord and coexistence with North Korea through economic cooperation and human exchanges. Few are against the ideals of this policy. Nonetheless, many voices were raised against generous support for North Korea.

On August 18, in the midst of such a precarious atmosphere, some of the South Korean representatives of universities and private organizations who were attending the 2001 Grand Festival for National Reunification hosted by the North Korean authority, took the occasion to express praise for North Korea. This was in violation of the South Korean National Security Law. The GNP and antigovernment newspapers increased the intensity of their attacks, claiming that the "indulgence" of the Kim Dae Jung administration toward North Korea had allowed this to happen, and demanding that Unification Minister Lim Dong Won be replaced. The minister had been a key figure behind the Sunshine Policy in theory and in practice, and this placed him directly in the line of fire. The United Liberal Democrats (ULD) party was dissatisfied with the line taken by President Kim, despite

being a partner in the coalition. A hard-liner on North Korean issues in the first place, it decided to go along with the opposition. As a result, a nonconfidence motion in the minister was passed, and he was subsequently dismissed.

Table 4-3. Distribution of Seats in the South Korean National Assembly by Party in 2001

	July 13	Sept. 5	Oct. 25 ^a
Millennium Democratic Party (MDP)	114	118	118
Grand National Party (GNP)	132	131	136
United Liberal Democrats (ULD)	20	16	15
Democratic People's Party	2	2	2
New Korea Party	1	1	—
Independent	2	2	2
Total	271	270	273
Complement	273	273	273

Source: Compiled based on news reports in South Korea.

^a Results of the by-election of October 25, 2001 (3 seats)

In response, the Kim Dae Jung administration dissolved the coalition with the ULD. This effectively put the Millennium Democratic Party (MDP) in the position of being a minority government. Lim Dong Won left the office of unification minister, but was immediately appointed special adviser to the president. This was a newly created post, from which he could carry on controlling the administration's policy on North Korea. These events were a clear indication of President Kim's firm resolve not to give up on the Sunshine Policy. His administration, however, was now in the minority, no longer capable of making single-handed decisions on North Korean issues such as rice aid.

National Assembly by-elections were held October 25, with the GNP monopolizing all of the three seats. Within the governing MDP, voices were raised against the party old guards in the faction directly connected to Kim Dae Jung. It was said they were responsible for the recent election defeats. Political maneuverings intensified among Rhee In Je, Noh Mu Hyun, Chung Dong Young, Hahn Hwa Kap, Kim Geun Tae and other significant presidential candidates in 2002. This led to a weakening of the power of Kim Dae Jung in his role as president of the MDP. Therefore, he took a chance on restoring his influence in the

Table 4-4. Kim Dae Jung Administration Main Personnel

	Name	Date of Appointment	Career	Place of Origin
Prime Minister	Lee Han Dong	May 23, 2000	Attorney; president of United Liberal Democrats; independent member of National Assembly	Gyeonggi-do
Minister of Unification	Park Jae Kyu	Dec. 23, 1999	President, Kyungnam Univ.	Gyeongsangnam-do
	Lim Dong Won	Mar. 26, 2001	National Intelligence Service (NIS), Director-General	Pyonganbuk-do
	Hong Soon Young	Sept. 12, 2001	Ambassador to Russia and Germany; Minister of Foreign Affairs and Trade; Ambassador to China	Chungcheongbuk-do
Minister of Foreign Affairs and Trade	Lee Joung Binn	Jan. 13, 2000	Ambassador to India and Russia; Deputy Foreign Minister	Jeollanam-do
	Han Seung Soo	Mar. 26, 2001	Seoul National Univ. professor; Minister of Trade and Industry; Ambassador to U.S.; member of National Assembly (Democratic People's Party)	Gangwon-do
Minister of National Defense	Cho Seong Tae	May 26, 1999	20th graduate of KMA; CG, 2nd Army	Chungcheongnam-do
	Kim Dong Shin	Mar. 26, 2001	21st graduate of KMA; Army Chief of Staff	Gwangju (Jeollanam-do)
Chairman of Joint Chiefs of Staff	Cho Young Kil	Oct. 27, 1999	Army Officer Candidate; CG, 2nd Army	Jeollanam-do
	Lee Nam Shin	Oct. 10, 2001	23rd graduate of KMA; CG Defense Security Command; CG 3rd Army	Gyeongsangbuk-do
Chief of Staff, Army	Kil Hyung Bo	Oct. 27, 1999	22nd graduate of KMA; CG, 3rd Army	Pyongannam-do
	Kim Pan Kyu	Oct. 10, 2001	24th graduate of KMA; CG, Aviations Command; CG, 1st Army	Gyeongsangnam-do
Chief of Naval Operations	Lee Soo Young	Apr. 1, 1999	Naval Operation Commander	Jeollanam-do
	Chang Chung Kil	Mar. 31, 2001	Vice Chief of Naval Operations	Hwanghae-do
Chief of Staff, Air Force	Yi Ok Su	Mar. 3, 2000	Vice Chief of Staff, ROKAF	Gangwon-do
National Intelligence Service (NIS) Director General	Lim Dong Won	Dec. 23, 1999	13th graduate of KMA; Major General; Ambassador to Nigeria and Australia; Vice Minister, National Unification Board	Pyonganbuk-do
	Shin Kuhn	Mar. 27, 2001	Vice Minister of Justice; First Deputy Director General of NIS	Gyeongsangbuk-do

	Name	Date of Appointment	Career	Place of Origin
Special Adviser to President	Lim Dong Won	Sept. 12, 2001	Unification Minister	Pyonganbuk-do
Chong Wa Dae (Blue House) Senior Secretary Intelligence Service (NIS)	Kim Ha Joong	Aug. 28, 2000	Counselor to Japanese Embassy; Diplomat to China, Director of Asia Division in Foreign Affairs Ministry	Gangwon-do
	Chung Tae Ik	Oct. 4, 2001	Secretary to Japanese Embassy; Director General, American Affairs Bureau; First Deputy Minister; Chancellor, Institute of Foreign Affairs and National Security	Chungcheongbuk-do

Source: Prepared based on the Web sites of South Korean government ministries and South Korean newspapers.

Notes: Incumbent officials from January to November 2001. "13th graduate of KMA" means he graduated in 1957. KMA (Korean Military Academy); CG (Commanding General); ROKAF (Republic of Korea Air Force).

party by resigning as party president.

In the opposition, on the other hand, Lee Hoi Chang, president of the GNP, is considered to be the front-runner in the presidential election. It is said that he is likely to win ahead of any opponent in the MDP, despite having a disadvantage in terms of a lack of popular support. This is possibly due to his strait-laced image because of his career as a supreme court justice.

As the campaign intensifies, the scope of measures toward North Korea that the Kim Dae Jung administration is allowed to take will become even more limited. Nevertheless, President Kim evidently intends to work toward the next administration taking over the flow of the Sunshine Policy and North-South exchanges at least to some degree.

(2) Cooperation and Conflict

In terms of support for the Sunshine Policy, the Kim Dae Jung administration has emphasized (1) alliance with the United States, (2) the trilateral coordination mechanism among South Korea, the United States and Japan, and (3) the approval of China, Russia and other coun-

tries. In 2001, Japan, the United States, China, Russia and many other countries promised their cooperation for South Korea's policy toward North Korea. However, differences with the United States have emerged in terms of approaches to North Korea, and some events have caused friction with Japan. These have been a source of trouble for President Kim.

Kim Dae Jung, like other South Korean presidents before him, has tried to deter the advances of North Korea into the South by the alliance with the United States. In addition, he has hoped that Washington will support the Sunshine Policy and improve their relations with North Korea.

The Bush administration in the United States praised the Sunshine Policy at the South Korea-U.S. Summit in March 2001 and on other occasions, and expressed the intention to continue its own engagement policy toward North Korea. In June, President George W. Bush issued a statement to North Korea calling for dialogue. The defense authorities of South Korea and the United States pledged that the U.S. forces would retain their presence in South Korea and strengthen deterrence against the North. These outcomes were in line with the policy of President Kim, and were received with enthusiasm.

On the other hand, President Bush and other key policy-makers did not try to hide their negative estimation of North Korea and Chairman Kim Jong Il. The United States is also explicit about its policy that agreement with North Korea needs verification. All of this became a burden on Kim Dae Jung who was trying to make progress in North-South reconciliation and at the same time to improve North Korea-U.S. relations. Moreover, they were a source of anger for North Korea, which led to the stagnation of North Korea-U.S. and North-South dialogues. Within South Korea, meanwhile, the opinion among the public that the Bush administration was obstructing the process of North-South reconciliation was intensifying.

Bilateral relations between Japan and South Korea became strained in 2001. The South Korean people were critical about the Japanese

history textbook issue and the visit to Yasukuni Shrine by Prime Minister Junichiro Koizumi, claiming that they indicated Japan's lack of repentance about past "militarism." In response to the history textbook issue, South Korea took countermeasures such as suspending defense exchanges. President Kim and Prime Minister Koizumi met October 15 and 20, and reaffirmed their policy to address the issues in a cooperative manner in these talks. President Kim saw this as the laying of a foundation to settle these disputes. However, a sense of dissatisfaction remained among the South Korean people with regard to Japan, and a shift was seen from the friendly atmosphere that had been built between then Prime Minister Keizo Obuchi and President Kim during 1998 and 1999. With the increasing tendency to consider the Kim administration as a lame duck, it is not easy for South Korea to take the initiative in improving relations.

In 2001, South Korea, the United States and Japan continued discussions on North Korean policies through the Trilateral Coordination and Oversight Group (TCOG). Some take the view that the significance of the TCOG has weakened due to the progress in inter-Korean relations and North Korea's missile test moratorium. This coordination mechanism was originally established because of the sense of threat that came from the suspected nuclear development and missile launching by North Korea. However, these suspicions with respect to North Korea remain to some degree, and the possibility of another critical situation arising before 2003 cannot be completely ruled out. Therefore, as will be mentioned later, the functions of the TCOG should be maintained and emphasized.

South Korea places importance on relations with China and Russia because these countries have close connections with North Korea, historically and geographically. China and Russia have been endeavoring to improve relations with North Korea in recent years. South Korea is not against these moves. On the contrary, it welcomes them as factors that may mitigate the alienation of North Korea and lead to it opening up. In addition, China is a member of the Four-Party Talks

Table 4-5. Main Events in South Korean Diplomacy

<2000>	
Dec. 10	President Kim Dae Jung awarded Nobel Peace Prize in Oslo.
<2001>	
Feb. 7	Foreign Minister Lee Joung Binn has talks with U.S. Secretary of State Colin Powell in Washington.
Feb. 27	President Kim Dae Jung has talks with Russian President Vladimir Putin in Seoul.
Mar. 7	Kim Dae Jung meets with U.S. President George W. Bush in Washington.
Mar. 26	ROK-U.S.-Japan Trilateral Coordination and Oversight Group (TCOG) meets in Seoul to discuss North Korean issues.
Apr. 3	Foreign Ministry expresses its regret that some Japanese history textbooks "still include contents that rationalize and glorify the past error based on the historical view of putting the homeland at the center."
May 4	President Kim Dae Jung has summit talks in Seoul with a high-level delegation of the European Union led by Goran Persson, president of the European Council and prime minister of Sweden.
May 8	South Korean government conveys "Demand for Correction of Distortions in Japanese History Textbooks" to Japanese government.
May 25	President Kim Dae Jung meets Li Peng, chairman of the Standing Committee of National People's Congress of China, in Seoul.
May 24-25	Foreign Minister Han Seung Soo attends the ASEM Foreign Ministers' Meeting in Beijing.
May 26	Foreign Minister Han Seung Soo meets Japanese Foreign Minister Makiko Tanaka in Beijing.
May 26	TCOG meets in Honolulu.
June 6	U.S. President George W. Bush issues a statement on a policy for undertaking talks with North Korea.
June 7	Foreign Minister Han Seung Soo meets with U.S. Secretary of State Colin Powell in Washington.
July 18	National Assembly resolves that correction of the Japanese history textbooks is required.
July 24	Foreign Minister Han Seung Soo talks with Tang Jiaxuan, Chinese minister of foreign affairs, in Hanoi.
July 25	Foreign Minister Han Seung Soo meets Japanese Foreign Minister Makiko Tanaka in Hanoi.
July 25	ASEAN Regional Forum (ARF) in Hanoi supports holding of North-South summit.
July 27	Foreign Minister Han Seung Soo talks with U.S. Secretary of State Colin Powell in Seoul.
Aug. 1	Japanese Foreign Minister Makiko Tanaka expresses strong protest to governments of South Korea and Russia on issue of saury fishing by Korean fishing boats in Japanese exclusive economic zone around the four Northern Islands.
Sept. 6	TCOG meets in Tokyo.
Sept. 14	Office of the President announces that President Kim Dae Jung would not be attending the United Nations General Assembly scheduled from Sept. 20 due to the terrorist attacks in the United States.
Sept. 18	Foreign Minister Han Seung Soo meets U.S. Secretary of State Colin Powell in Washington.
Sept. 24	South Korean government announces decision to send medical and transportation units to support U.S. war against terrorism.
Oct. 15	President Kim Dae Jung talks with Japanese Prime Minister Junichiro Koizumi in Seoul.
Oct. 17-18	Foreign Minister Han Seung Soo attends APEC Ministerial Meeting in Shanghai.
Oct. 19	President Kim Dae Jung has successive meetings with U.S. President George W. Bush, Chinese President Jiang Zemin and Russian President Vladimir Putin in Shanghai.
Oct. 20	President Kim Dae Jung has talks with Japanese Prime Minister Junichiro Koizumi and Indonesian President Megawati Sukarnoputri in Shanghai.
Oct. 20-21	President Kim Dae Jung attends APEC Economic Leaders' Meeting in Shanghai.
Nov. 4	Foreign Minister Han Seung Soo meets Tang Jiaxuan, Chinese foreign minister, in Bandar Seri Begawan, Brunei.
Nov. 5	President Kim Dae Jung attends Japan-China-Korea Summit Breakfast, holds talks with Chinese Premier Zhu Rongji, and attends the Fifth ASEAN+3 Summit Meeting in Bandar Seri Begawan, Brunei.
Nov. 6	President Kim Dae Jung attends South Korea-ASEAN Summit Meeting in Bandar Seri Begawan, Brunei.
Nov. 27	TCOG meets in San Francisco.

Sources: Compiled based on information from Chong Wa Dae [Office of the President], Foreign Ministry Web sites and South Korean newspapers.

that aim at achieving a permanent peace on the Korean Peninsula, and South Korea held the hope that China would exercise its influence toward the reopening of the talks. North Korea, however, did not show any interest in this regard.

Japan-South Korea Summit (July 25, 2001, Seoul)

Kim Dae Jung had talks with Jiang Zemin, president of the People's Republic of China, in Shanghai in October 2001. On this occasion, President Jiang reaffirmed China's established policy of supporting peace and stability on the Korean Peninsula, and revealed that he had urged Kim Jong Il to visit Seoul during his own visit to North Korea in September. South Korea is appreciative of these efforts made by China, and relations between South Korea and China appear for the most part to be positive.

President Vladimir Putin of Russia visited Seoul in February 2001 for talks with Kim Dae Jung. Putin praised President Kim's policy toward North Korea, and announced his proposal of promoting inter-Korean cooperation by linking the Trans-Siberian Railway and the trans-Korean railway. At these talks, both presidents "agreed" on the importance of the Treaty on the Limitation of Anti-Ballistic Missile Systems (ABM Treaty) for nuclear disarmament and nonproliferation. This met with opposition within South Korea as demonstrating a lack of consideration for the country's ally, the United States, and was one of the reasons for the foreign minister being replaced in March.

On the issue of the U.S. war against terrorism, Kim Dae Jung sent a message that South Korea would provide all necessary cooperation and assistance as a close ally of the United States. On September 24, South Korea announced that it was prepared to send medical and transportation units (military vessels and aircraft). At the request of the

United States, one of the navy landing vessels departed for the Indian Ocean on December 18, and four air force C-130 transport aircraft were deployed to provide logistic support December 21. Public opinion within South Korea was in favor of providing logistic support, but opposed to the dispatch of combat troops.

3. Inside and Outside the “Army-Centered Policy”: North Korea

(1) Domestic Implications of the Policy

Kim Jong Il continues to govern North Korea. The establishment apparently remains unshaken despite the continuing economic difficulty and food shortage.

A joint editorial published by *Rodong Sinmun* and others in the new year in 2001 contained a display of slogans that had been familiar for several years, such as “the building of a powerful nation” and “the army-centered policy” or “army-first policy.” One of these slogans in particular caught the eye: It was a call to “discard outmoded thought [and] follow the new.” In addition to this, Kim Jong Il paid his second visit to China in the past eight months in mid-January. While there, he made a tour of foreign-affiliated plants in Shanghai, which led to the hopeful interpretation by some people in South Korea and Japan that North Korea had started to “reform and open up.”

The world has seen how North Korea has been working on the development and introduction of technology in recent years. The country has shown particular interest in the field of information technology. However, efforts are no longer being made to attract foreign companies to the Economic and Trade Zone established in Rason City (former Rajin-Sonbong), and the once reported “reform” in the agriculture sector seems to have come to a halt. In conclusion, rather than “reform and open-up,” “the army-centered policy” seems like a much more appropriate slogan to symbolize the North Korean approach: Kim Jong Il first uses the military, then moves the organization of the

party (Workers' Party of Korea) to control enterprises and farms while increasing production by introducing new technologies. Most of the resulting products and technologies are used for the military. This is the probable mechanism of the "army-centered policy."

As for the food situation, the World Food Programme (WFP) estimates that there is an annual shortage of around 1 million tons. This shortfall is made up by aid from South Korea, Japan, the United States and others. South Korea provides foreign currency and fertilizer through economic cooperation frameworks. One example of this is the Mount Kumgang tourism project.

The number of people that successfully defected from North Korea to the South because of the shortage of food increased from 312 in the previous year to 583 in 2001. In June, a family entered the office of a U.N. organization in Beijing seeking asylum and safe passage to South Korea. This was the first case of its kind. The waves this defection created were not big, however, partly due to regulations by the Chinese authority.

The year 2002 is the 90th anniversary of late President Kim Il Sung, and the 60th birthday anniversary of Chairman Kim Jong Il. This is a year of double significance for North Korea. It would not come as a great surprise if this year marked the naming of a successor to Kim Jong Il. *Rodong Sinmun* and other official North Korean media organs have begun to use phrases such as the "Mangyongdae family" (Kim Il Sung's home), the "lineage of Mount Paektu" (the mountain considered to be the birthplace of Kim Jong Il) and a "new star" (Kim Jong Il is known as the morning star). This trend indicates to the general public of North Korea that a successor to Kim Jong Il is about to be unveiled.

(2) Hostility Toward the Bush Administration

North Korea has suspended regular contact with the United States since the beginning of 2001, although it had placed top priority on direct negotiations with the United States. This can be seen as an ex-

pression of hostility toward the North Korean policy that the Bush administration has adopted. In contrast, Pyongyang has continued its traditionally close relationships with its former allies, China and Russia.

North Korea alleges that the United States and its allies, Japan and South Korea, are waiting for an opportunity to invade the North and engineer an end to their socialist system. Based on this assumption, they have endeavored to maintain and enhance their military power while negotiating with the United States on the establishment of a peace mechanism and resorting to threats from time to time.

This strategy seemed to bring results in 2000. In October, Vice Marshal Jo Myong Rok, first vice chairman of the National Defense Commission, and U.S. Secretary of State Madeleine Albright, made reciprocal visits to each other's capitals for talks. North Korea had hoped that then President Bill Clinton would visit Pyongyang. However, since the DPRK-U.S. conference did not lead to agreement from the North Koreans to terminate its missile export program as well as to halt further missile development, the Clinton administration announced at the end of December that it had decided against the intended visit.

When the Bush administration was inaugurated in January 2001, while making the occasional accusatory comment, North Korea appeared to be taking a wait-and-see approach to the new government. On March 14, however, a full-scale denunciatory campaign was launched. Four or five programs with phrases such as "to answer a sword with a sword, and rice cake with rice cake" or "to approach good will with good will and respond to a hard line with a super hard line" were broadcast daily. North Korea's hostility was caused by comments that President Bush had made in talks with President Kim Dae Jung in March, when he expressed his distrust of Chairman Kim Jong Il. North Korea was critical of Bush, saying, "he does not know even elementary diplomatic etiquette and lacks diplomatic ability."

Meanwhile, Bush was waiting for the results of discussions in his government on North Korean policy. In June, he finally called for a

resumption of dialogue with North Korea, with the following proposed objectives for talks: (1) improved implementation of the Agreed Framework relating to North Korea's nuclear activities; (2) verifiable constraints on North Korea's missile programs and a ban on its missile exports; and (3) a less threatening conventional military posture. In connection with these proposals, the United States had several working-level contacts with North Korea. In addition, at a meeting with Kim Dae Jung held in Shanghai in October, Bush mentioned Kim Jong Il by name and called for dialogue.

However, North Korea did not respond immediately. The three "objectives" proposed by President Bush were nothing other than "conditions" when viewed from a North Korean perspective. Discussion on these issues might lead to the disarming of North Korea, something that they could not easily accept. North Korea again criticized the Bush administration, claiming that its "hostile policy" toward the DPRK had led to a cooling of inter-Korean relations. The proclaimed "military retaliation" by the United States against terrorists also increased North Korea's sense of alert with respect to the United States and South Korea.

On the other hand, North Korea did not completely close the door on dialogue with the United States, announcing that "the resumption of the DPRK-U.S. dialogue is a matter that may be discussed only when the Bush administration takes at least the same position as taken by the Clinton administration in its final term." North Korea expressed its condolences for the victims of the terrorist attacks in the United States, and announced November 3 that it would accede to the major antiterrorism conventions.

In spite of this, difficulty is foreseen in terms of resuming the dialogue between the two sides. An example of such difficulty is the method of discussion: The United States expects to build up detailed verification methods from the working-level; North Korea hopes for this to be dealt with in one swoop at a higher level, as was the case in relations with the Clinton administration.

Table 4-6. Main Events in North Korean Foreign Policy

<2000>	
Dec. 29	U.S. President Bill Clinton announces that he will not make his scheduled visit to North Korea.
<2001>	
Jan. 15-20	Kim Jong Il, general secretary of Workers' Party of Korea (WPK) and chairman of National Defense Commission, visits China in unofficial capacity.
Jan. 25	Foreign Ministry spokesman states Jan. 17 that North Korea would "answer a sword with a sword, and rice cake with rice cake." Comment directed at United States, in response to testimony of U.S. Secretary of State Colin Powell.
Feb. 21	Foreign Ministry spokesman denounces Bush administration's "hard-line policy" toward North Korea, and announces that "since there is no agreement [between North Korea and the Bush administration], we are not bound by the proposal regarding the missile issue (moratorium on missile testing) made in the previous [Clinton] administration."
Feb. 23	Korea Central News Agency (KCNA) reports that Foreign Ministry spokesman had expressed condemnation of some Japanese history textbooks Feb. 22. He is quoted as saying, "They are trying to distort the past invasion to justify it."
Feb. 28	Yang Hyong Sop, vice president of the Presidium of Supreme People's Assembly, visits Japan to attend funeral of Han Duk Su, chairman of Central Standing Committee of the General Association of Korean Residents in Japan (Chongryn), who died Feb. 21.
Mar. 2	Joint symposium is held in Pyongyang by scholars from North and South Korea on Japanese history textbook issue.
Mar. 14	U.S.-bashing campaign launched on radio.
Mar. 22	Chairman Kim Jong Il meets Chinese Communist Party Central Committee's Organization Department Head Zeng Qinghong.
Apr. 26	Kim Il Chol, vice chairman of National Defense Commission and minister of People's Armed Forces, visits Russia.
May 2-3	High-level delegation of the European Union led by Goran Persson, president of European Council and prime minister of Sweden, arrive in Pyongyang, hold talks with Chairman Kim Jong Il on May 2-3, before moving on to Seoul on May 3.
May 3	Japanese broadcasting stations report that a man, allegedly the eldest son of Kim Jong Il, Kim Jong Nam, was held at Narita airport by Immigration Bureau on May 1. (He was later deported from Japan on May 5.)
May 14	European Commission announces that EU has established diplomatic relations with North Korea.
May 16	The KCNA warns the United States regarding light-water reactor construction, commenting that, "If the United States goes without compensation, it would possibly create the situation where we [North Korea] have to reoperate the graphite-moderated reactors."
May 26	Delegation of air force led by air force Commander, Colonel Gen. O Kum Chol, leave Pyongyang for Pakistan.
June 6	U.S. President George W. Bush issues statement on undertaking talks with North Korea.
June 7	U.S. Secretary of State Colin Powell calls on North Korea to resume dialogue after talks with South Korean Foreign Minister Han Seung Soo.
June 12	At a hearing of the Subcommittee on East Asia and the Pacific, House Committee on International Relations, U.S. Assistant Secretary of State James Kelly mentions five principles of U.S. policy on North Korea. They were to (1) Be strongly supportive of South Korea's efforts for unification with North Korea; (2) Explore ways for improving implementation of the Agreed Framework; (3) Achieve an end to North Korea's missile programs and its proliferation activity, and reduce tensions caused by conventional deployments and enter into discussions with North Korea toward achieving these objectives; (4) Require efficient verification as a prerequisite for any agreement with North Korea; and (5) Maintain a coordinated approach with South Korea and Japan.
June 13	Special U.S. Envoy Charles Pritchard has contact with North Korean Ambassador to U.N. Ri Hyong Chol in New York.
June 14	Yang Hyong Sop, vice president of the Presidium of the Supreme People's Assembly, points out at grand seminar on national unification held on the first anniversary of North-South Joint Declaration that, "[the United States is] casting a pall on the successfully progressing inter-Korean relations and causing tension on the Korean Peninsula."
June 15	Grand seminar on national unification held on the anniversary of June 15 North-South Joint Declaration. Attended by representatives from social organizations from both Koreas. Adoption of a

- "joint statement denouncing the Japanese authorities for working hard to distort history in textbooks."
- June 18 Foreign Ministry spokesman remarks on the Bush statement of June 6 that, "it is noteworthy... but we cannot but remain vigilant against its real intention," while demanding the withdrawal of U.S. forces from South Korea and compensation for the delay in the supply of LWR.
- June 24 First anti-U.S demonstration in 10 years in Pyongyang on occasion of "June 25, the day of struggle against the U.S. imperialists."
- June 26 Seven North Korean nationals enter office of United Nations High Commissioner for Refugees (UNHCR) in Beijing seeking asylum and safe passage to South Korea. (Arrive at Inchon on June 30.)
- June 28-30 Foreign Minister Paek Nam Sun visits Australia.
- June 30 Foreign Ministry spokesman denounces UNHCR on issue of the defectors in Beijing.
- July 1 Chairman Kim Jong Il attends celebration of 80th anniversary of Communist Party of China (CPC) held at Chinese Embassy in Pyongyang.
- July 3-7 Military delegation from Cuba visits North Korea.
- July 11-20 Kim Yong Nam, president of Presidium of Supreme People's Assembly, visits Vietnam, Laos and Cambodia.
- July 20 Foreign Ministry spokesman denounces the United States over its interceptor missile test and asserts that "the DPRK is compelled to take a counteraction for self-defense."
- July 24 Foreign Ministry spokesman issues demands to the United States, urging the conclusion of peace agreement between DPRK and the United States and end to presence of U.S. forces in South Korea.
- July 25 Foreign Minister Paek Nam Sun does not attend ARF Ministerial Meeting (Ambassador Ho Jong sent instead in his place).
- July 26-Aug. 18 Chairman Kim Jong Il visits Russia.
- July 26 U.S. Envoy Charles Pritchard testifies regarding North Korean policy at Subcommittee on East Asia and Pacific House Committee on International Relations.
- July 27 After talks with South Korean Foreign Minister Han Seung Soo in Seoul, U.S. Secretary of State Colin Powell emphasizes at a news conference that there should be no preconditions to resuming dialogue with North Korea.
- July 30 United Kingdom opens an embassy in Pyongyang.
- Aug. 8 Asia-Pacific Peace Commission accuses the United States of obstructing Mount Kumgang tourism project.
- Aug. 8 Foreign Ministry spokesman demands that the United States does not bring up "agenda items of the talks unilaterally raised by the United States out of its intention to disarm the DPRK and stifle it" during the U.S.-DPRK dialogue. U.S. State Department spokesman Richard Boucher refuses to accept this demand while calling for talks.
- Sept. 3-5 Jiang Zemin, general secretary of the Central Committee of the CPC and president of the People's Republic of China, visits North Korea.
- Sept. 12 Foreign Ministry spokesman states that North Korea is "opposed to all forms of terrorism."
- Oct. 2 Bodies of American soldiers missing in action from Korean War repatriated.
- Oct. 16 U.S. President George W. Bush while calling for dialogue with North Korea in interviews with a Japanese newspaper, the *Yomiuri Shimbun* and others, criticizes Chairman Kim Jong Il as "suspicious and secretive."
- Oct. 19 At a joint news conference with South Korean President Kim Dae Jung in Shanghai, President George W. Bush again calls on the "government of Kim Jong Il" to resume dialogue.
- Oct. 23 Foreign Ministry spokesman criticizes the Bush administration, claiming that "the bilateral dialogue came to a rupture entirely due to Bush and his administration with their deep-rooted conception of hostility toward the DPRK."
- Nov. 3 Foreign Ministry spokesman announces that North Korea will accede to the major antiterrorism conventions.
- Nov. 6 Special U.S. Envoy Charles Pritchard briefs Senate Panel on U.S. Policy toward N. Korea.
- Nov. 26 President George W. Bush demands that North Korea allow inspections for weapons of mass destruction.
- Nov. 29 Foreign Ministry spokesman states that North Korea would "take necessary countermeasures" in response to U.S. attitude and the comments of President George W. Bush.

Sources: Compiled based on U.S. State Department Web site, relevant issues of *RP Kita-Chosen Seisaku Doko* and other references.

North Korea has increased its insistence that U.S. forces withdraw from South Korea. For Pyongyang, this is a “pressing issue that brooks no delay.” This indicates how North Korea would react if the United States brought up the issue of reducing conventional armed forces.

On another note, North Korea virtually promised at the DPRK-U.S. talks in September 1999 to refrain from conducting missile tests as long as talks continued between the two parties. The high-level European Union delegation that visited North Korea in early May 2001 was told that the country would abide by its moratorium on missile testing until at least 2003.

In the 1994 Agreed Framework, the United States targeted 2003 as the time to provide North Korea with light-water reactors. In reality, however, it is said that the earliest time that the Korean Peninsula Energy Development Organization (KEDO) will supply them will be around 2008. Although North Korea should have a strong awareness of this, it may lead to increased criticism of the United States for not fulfilling its promises when 2003 begins to draw near. It is highly probable that North Korea had set the time limit for the moratorium on missile testing at 2003 so that the threat of launching missiles can be used as a bargaining chip.

As regards relations with Russia, Chairman Kim Jong Il officially visited Russia during the period from July 26 to August 18, 2001. This followed a visit by Russian President Vladimir Putin to North Korea in July 2000. During the visit to Russia, both countries declared that they were against revising the Treaty on the Limitation of Anti-Ballistic Missile Systems (ABM Treaty), that North Korea’s missile program was of a peaceful nature and that Russia understood North Korea’s demand for the withdrawal of U.S. forces from South Korea. These items were all presented with the United States in mind. This joint declaration also included military cooperation. According to the report from the Russian side, however, there was little progress in arms sales. Russia was following its diplomatic course, keeping its options open with North and South Korea.

As for China, Kim Jong Il visited Shanghai unofficially in January 2001 and in September, Jiang Zemin officially visited North Korea as general secretary of the Communist Party of China (CPC) and president of the People's Republic of China. While the traditional friendship was repeatedly affirmed on these occasions, Jiang Zemin expressed his support for an improvement of relations between the two Koreas, and urged North Korea to try to do the same with the United States, the EU and Japan.

Table 4-7. Countries with Which North Korea Has Normalized Relations since 1999

<1999>		<2001>	
Jan.	7 Brunei	Jan.	15 The Netherlands
			23 Belgium
<2000>		Feb.	6 Canada
Jan.	4 Italy		7 Spain
May	8 Australia	Mar.	1 Germany
	(resumed)		5 Luxembourg
July	12 Philippines		8 Greece
Dec.	12 United Kingdom		9 Brazil
			26 New Zealand
		Apr.	4 Kuwait
		May	14 ^a EU
			23 Bahrain
		June	27 Turkey

Source: Compiled based on relevant issues of *RP Kita-Chosen Seisaku Doko* and other references.

^a Diplomatic relations have been established with the EU.

In recent years, North Korea has been establishing diplomatic relations with Western countries, namely, EU member countries and Canada. When it comes to Japan, however, it is consistently accusatory, pointing the finger on every possible occasion. Examples of this include the history textbook issue, the visit by the prime minister to Yasukuni Shrine and the participation of the Self-Defense Forces in the U.S. war against terrorism. Japan, on the other hand, is unable to take any positive stance in normalization talks unless there is progress toward resolution of the issue of the suspected abduction of Japanese citizens by North Korea as well as the missile issue. No regular normalization talks have been held since the 11th round in October 2000.

4. Military Tension and Confidence Building

(1) No Let Up in Pressure on the South: North Korea

North Korea concentrates its infantry and long-range artillery systems near the truce line, unbending in its demonstration of the capacity to target Seoul. It seems to continue to develop and possess ballistic missiles, despite its maintaining of a moratorium on them. Such a military posture by North Korea is an issue of concern for peace in South Korea and regional security as a whole.

The North Korean armed forces, with about 1.1 million soldiers in total, are trying to maintain and enhance their military capability and readiness. Most of their armaments, however, are outdated. The army is predominant, occupying nearly 90 percent (about 1 million people) of the total force. About two-thirds of the army strength is positioned near the DMZ, which is a 2-kilometer wide stretch that extends north of the truce line. Reportedly, 240-millimeter multiple rocket launcher systems and long-range artillery systems, including 170-millimeter guns, are constantly at the ready. These systems are said to have Seoul and other cities in the northern part of South Korea within their ranges. In addition to this, the army has about 3,500 tanks.

The navy has about 690 vessels (105,000 tons). Besides fast missile craft, these include 22 *Romeo*-class submarines, about 60 small naval vessels and about 135 air-cushioned landing ships.

The air force has about 590 combat aircraft, most of which are outdated craft made in China and the former Soviet Union. By contrast, it possesses a few fourth-generation aircraft such as MiG-29 and Su-25. Also at its disposal are a number of outmoded An-2 transport aircraft. In 1999, North Korea obtained a quantity of MiG-21 from Kazakhstan. Reportedly numbering around 40 in total, it is believed that these will be used for spare parts.

North Korea's special operations forces are purported to be about 100,000 strong. This is one of the largest special forces in the world. They are reportedly engaged in various activities such as collecting

information and sabotage, using small submarines, air-cushioned landing ships and An-2 for infiltration and conveyance of special forces.

As regards weapons of mass destruction, North Korea has always been suspected of developing nuclear weapons. It is thought to have several facilities capable of producing agents for chemical weapons and to be in possession of a considerable amount of them. It appears that there are also some production bases for biological weapons. North Korea has made and deployed ballistic missiles such as *Scud-B* and *Scud-C*, and is thought to have deployed *No Dong* missiles. A *No Dong* is said to have a range of 1,300 kilometers, thus potentially covering the whole of Japan. In addition to this, research and development is probably being conducted toward developing missiles with longer ranges. The *Taepo Dong-1*, which is considered to be the base of the ballistic missile launched in August 1998, has a range of more than 1,500 kilometers. The *Taepo Dong-2* reportedly has a range of between 3,500 and 6,000 kilometers.

Behind this military posture lies North Korea's distinctive thinking that without strong military power, it would be "defeated by an invasion by the U.S. imperialists." Furthermore, North Korea holds that future modern warfare will be three-dimensional in nature, conducted simultaneously on land, sea and in the air, in which missiles and other long-range strike capabilities will be used extensively. It also believes that developing and maintaining powerful strike capabilities are vital to securing victory in future armed conflicts.

(2) Extension of Deterrence and Future Vision: South Korea

The South Korean military has traditionally deterred invasions and aggression by the North Korean armed forces mainly by the use of land forces. In recent years, however, South Korea has started to concentrate its efforts on the modernization of the navy and air force. This is based on a policy of being prepared for uncertain threats in the future and providing defense commensurate the national power.

South Korea has forces of about 680,000 members in total; 560,000

of these are in the army, and there are about 2,330 tanks. The navy has approximately 150,000 tons of vessels. These include eight destroyers and nine submarines. In addition to this, there are 25,000 marines. The air force has about 610 combat aircraft, with KF-16 fighters forming its backbone.

The Kim Dae Jung administration presented its defense reform plan in August 1998. Under this plan, it was decided that two commands of the First Army and the Third Army, which are responsible for the area along the DMZ, were to be integrated into a new Ground (Front) Operations Command. Also, the Second Army Command covering the rear area was to be reorganized as a Rear-Area Operations Command. The establishment of a Ground Operations Command was intended to expedite operational command, as well as to reduce command personnel and cut back on costs. Around December 2000, however, it seems that a decision was made to postpone these proposals for the indefinite future. South Korean newspapers reported that there was strong opposition to changing the military chain of command because of the continuing threat from North Korea.

South Korea has sought to extend the range of surface-to-surface missiles. This range had been limited to 180 kilometers following an agreement with the United States. January 2001, however, saw a new agreement between the two countries. This allowed South Korea to develop, manufacture and possess missiles of 300-kilometer range with a payload of up to 500 kilograms. These values are in compliance with the limitations set by the Missile Technology Control Regime (MTCR), to which South Korea acceded in March 2001.

In June 2001, the South Korean Ministry of National Defense announced a 2002-2006 Mid-Term Defense Program. This would target "reinforcement of core fighting capabilities specializing in cutting-edge information and scientific warfare." More specifically, the C⁴I system is to be enhanced, and unmanned aerial reconnaissance vehicles, electro-optical image equipment and night vision goggles are to be introduced. Various types of airborne early warning systems are

being reviewed toward the introduction of such a system, code-named “E-X.” In 2006, when all of these are in place, the South Korean forces will be equipped with wide-range battlefield surveillance capability early warning capability and automated command post systems.

The program is also committed to procuring armaments that are not directly information technology related. The army has introduced new 155-millimeter self-propelled howitzers and upgraded K-1 tank capabilities with a

view to enhancing strike power, and the selection process for AH-X attack helicopter models is currently under way.

The navy is constructing two 4,500-ton class destroyers (with another planned). Larger in scale and with better stealth capabilities than the three *King Kwanggaeto*-class destroyers (KDX-I, 3,900 tons) built in the late 1990s, these are to be commissioned in 2003 and 2004, respectively. When combined with the Mk41 vertical launch system (VLS) and the *Standard* Missiles, the South Korean navy will for the first time possess a fleet air defense capability.

Later in 2010, construction of a 7,000-ton class destroyer, KDX-III, is expected to be completed. As for the system to be used, an American Aegis or its British or Dutch counterparts are being considered. It

Chart 4-2. Areas Covered by South Korean 300-kilometer-range Missiles (As Measured from Bases along the DMZ and Coastline)



is reported that Hyundai Heavy Industries has completed the basic ship design, and a decision is to be made on the system in the first half of 2002. The period from 2008 to 2010 is targeted as the timeframe for commissioning the three vessels. In addition to this, construction is scheduled for a next-generation submarine, fast landing craft and minesweepers.

As regards air defense, the selection process is currently under way for next-generation surface-to-air missiles (SAM-X) to replace the aging *Nike-Hercules*. Since the Russian-made S-300 has withdrawn from the race, the only choice remaining is the American *Patriot*, but no agreement has been reached in terms of price.

As for aircraft, the KT-1 *Woongbee*, the first domestic turboprop basic trainer, made its maiden flight in November 2000. This was followed by the rollout of the first T-50 jet trainer, the KTX-II. Both are manufactured by Korea Aerospace Industries (KAI), which was established through a consolidation of defense contractors, including Samsung Aerospace. The T-50 was jointly developed with Lockheed Martin.

The selection of F-X next-generation fighters is the next task on the agenda. The original plan had been to complete the selection by October 2001, but it was postponed until the first half of 2002. Candidates are the U.S. F-15K (said to be the latest version of the F-15E), the French *Rafale*, the Russian Su-35 and the Eurofighter *Typhoon*, which is developed jointly by four European countries. The decision on selection was delayed, it is said, because of a need for caution to ensure that there are no irregularities. The F-15 is desirable in terms of interoperability with the U.S. forces, but there is apparently a problem with its old airframe. Under this project, 40 airplanes are to be introduced by 2008. According to one report, South Korea is expected to accumulate technological and development capabilities through production of T-50 and F-X, so that fully domestic jet fighters can be manufactured by 2015.

In the case of the previously mentioned E-X, the candidates are

Boeing's Airborne Warning and Control System (AWACS) and Raytheon of the United States, as well as Thales of the Netherlands. Candidates for the AH-X are Bell's AH-1Z *Viper* and Boeing's AH-64D *Apache Longbow* helicopter, both from the United States. Both are scheduled for selection in the first half of 2002. There is, however, the opinion in the National Assembly that KMH multipurpose helicopters should be purchased instead of AH-X combat helicopters.

Furthermore, the navy hopes to add eight P-3C patrol aircraft. As this model is out of production in the United States, whether this is possible is uncertain.

There are also concerns about securing sufficient budget, especially because of the enterprising nature of the procurement plan. The force investment (budget for purchasing arms) section of defense spending is scheduled to be increased from 37 percent in 2000 to 40 percent in 2006. This would necessitate a reduction of personnel and other expenses. To make technology-intensive forces ready for future warfare, sooner or later personnel must be streamlined. Resistance within the military against reduction in posts and strength can be expected when this does come to pass.

The South Korean forces have a combined defense system that is operated in unison with U.S. forces. This is known as the ROK-U.S. Combined Forces Command. The U.S. forces have about 36,000 soldiers stationed in South Korea, including the Second Infantry Division and the Seventh Air Force. These conduct joint exercises with the South Korean forces. The ROK-U.S. Combined Forces Command announced that it would postpone the FOAL EAGLE exercise annually held in the fall and scheduled for November 2001 until the spring of the following year. It was to be integrated with the Reception, Staging, Onward Movement and Integration (RSOI) exercise. The year 2001 witnessed major progress in South Korea-U.S. security relations. This included the amendment of the Status of Forces Agreement (SOFA), which had been an issue for some time, and settlement of a U.S. bases land return plan.

Table 4-8. Major Events for the South Korean Forces

<2000>	
Dec. 4	ROK Ministry of National Defense (MND) publishes <i>Defense White Paper 2000</i> . North Korea again defined as "main enemy."
Dec. 21	At the third round of inter-Korean military working-level talks, North Korea demands that South Korea withdraws this "main enemy" definition.
Dec. 21	President Kim Dae Jung states at a dinner with U.S. general officers stationed in South Korea that he had "agreed with Chairman Kim Jong Il (at an inter-Korean summit) that the U.S. forces stationed in South Korea would be needed even after the unification."
Dec. 29	Last two destroyers made in the United States during World War II decommissioned by the ROK Navy.
<2001>	
Jan. 17	Foreign Ministry announces agreement with U.S. government on longer-range South Korean missiles.
Jan. 18	U.S. and South Korean governments sign revised Status of Forces Agreement (SOFA).
Feb. 2	Fourth round of inter-Korean military working-level talks.
Feb. 8	Fifth round of inter-Korean military working-level talks.
Feb. 20	In response to questions in the National Assembly, Defense Minister Cho Seong Tae states that, "Considering our country's geographical features, we are not considering at this stage joining the TMD system."
Feb. 26	Korea Aerospace Industries (KAI) announces its intention to export KT-1 aircraft to the Indonesian Air Force.
Mar. 5	Army restarts roadbed construction for the rail link with North Korea, which had been terminated during the winter.
Mar. 19	President Kim Dae Jung mentions the establishment of a "strategic mobile fleet" and introduction of Aegis-equipped destroyers at introduction ceremony of Naval Academy.
Mar. 26	ROK joins Missile Technology Control Regime (MTCR).
Mar. 26	Minister of National Defense Cho Seong Tae replaced by Kim Dong Shin.
Mar. 30	Vice Chief of Naval Operations Chang Chung Kil assumes post of chief of naval operations.
Mar. 30	All S-2 Tracker patrol aircraft decommissioned by the navy.
Apr. 19	Dispatch of Fourth East Timor expeditionary force (415 members).
Apr. 20-26	Reception, Staging, Onward Movement and Integration (RSOI) exercises.
May 9	MND announces postponement of the search and rescue exercises with Japan that had been scheduled for early June.
May 26	Daewoo Shipbuilding Industry delivers a 2,300-ton frigate to Bangladesh Navy.
June 3	Joint Chiefs of Staff Office announces that three North Korean merchant ships had passed Jeju Strait in the territorial waters of South Korea without notice, followed by several other North Korean hovercraft.
June 22	U.S.-South Korean Defense Minister Talks in Washington, D.C.
June 24	Naval vessel fires warning shot in response to North Korean fishing boat violating Northern Limit Line (NLL).
June 28	MND announces the 2002-2006 Mid-Term Defense Program and Fiscal 2002 Budget.
June 28	U.S. Force Korea announces that Turkey has rejoined the United Nations Command. U.N. Command now composed of 15 countries.
June 29	Former Vice Defense Minister Moon Il Sub (reserve army major general) arrested for suspected bribery.
July 12	MND announces cancellation of a visit to Japan by chairman of Joint Chiefs of Staff scheduled for mid-July and a port call by a training fleet of Japan Maritime Self-Defense Force to South Korean port (early Sept.), because of the history textbook issue.
July 17	U.S. Department of Defense spokesman Rear Adm. Craig Quigley states that the U.S. forces facilities in South Korea were under review that would include potential reorganization and consolidation.
Aug. 1	Vietnamese Defense Minister Pham Van Tra visits South Korea.
Aug. 7	In response to the Moscow Joint Declaration of Aug. 4 by Chairman Kim Jong Il of North Korea and President Putin of Russia, which included the need for the withdrawal of U.S. forces from South Korea, U.S. Defense Department spokesman Rear Adm. Craig Quigley comments that this is a "matter between the United States and South Korea." Chong Wa Dae Spokesman Park Joon Young states that "while it is necessary to note that North Korea's claim was enhanced after the reference

- by the United States on the reduction of conventional weapons, it was a matter to be resolved between the United States and South Korea."
- Aug. 20-31 The ULCHI FOCUS LENS exercise.
 - Sept. 24 South Korean government announces decision to send medical support teams and transportation teams to support the U.S. war against terrorism.
 - Sept. 24 Government budget for fiscal 2002 announced. Defense spending increased by 6.3 percent from 15,388.4 billion won (about \$11.7 billion) in 2001 to 16,364 billion won (about \$12.4 billion) in 2002.
 - Sept. 28 MND announces that North Korean soldiers that crossed Military Demarcation Line (MDL) on Sept. 19 and 20, respectively, were turned away by warning shots.
 - Sept. 28 Army gives first demonstration of company-level "scientific warfare" combat drill using lasers.
 - Oct. 5 15th South Korean medical support group leaves to join United Nations Mission for the Referendum in Western Sahara (MINURSO).
 - Oct. 10 3rd Army Commander Lee Nam Shin appointed chairman of Joint Chiefs of Staff, and First Army Commander Kim Pan Kyu chosen as army chief of staff.
 - Oct. 13 Rollout of upgraded K-1 tank (K1A1). Main armament changed from 105 mm rifled to 120 mm smoothbore gun.
 - Oct. 15-21 Demonstration flights by F-15, *Rafale*, and other aircraft at Seoul Air Show.
 - Oct. 17 Dispatch of Fifth East Timor expeditionary force (428 persons).
 - Oct. 19 Five C-130 Air Force transport aircraft carrying aid packages for Afghan refugees leave for Pakistan.
 - Oct. 25 Navy announces assignment of female officers to ship duty for the first time.
 - Oct. 31 Rollout of first domestic T-50 jet trainer. President Kim Dae Jung speaks of targeting a 25 percent share in global advanced trainer market.
 - Nov. 6 Lt. Gen. Hwang Jin Ha of South Korean Army appointed force commander of United Nations Peacekeeping Force in Cyprus (UNFICYP).
 - Nov. 6 ROK-U.S. Combined Forces Command announces postponement of FOAL EAGLE, a field maneuver exercise annually held in fall. Postponed until the spring of following year to be held in conjunction with Reception, Staging, RSOI exercise.
 - Nov. 7 Foreign Minister Han Seung Soo, Defense Minister Kim Dong Shin, U.S. Ambassador to South Korea Thomas Hubbard and U.S. Commander in Chief in South Korea Thomas Schwartz hold ROK-U.S. 2+2 talks.
 - Nov. 7 MND announces large-scale dissolution of military installation protect areas.
 - Nov. 8 Appointment of first female general in South Korean Forces (formal announcement in Jan. 2002).
 - Nov. 15 ROK-U.S. Security Consultative Meeting (SCM) held in Washington, D.C., with participation of Defense Minister Kim Dong Shin and Secretary of Defense Donald Rumsfeld. Signing of Land Partnership Plan (LPP) that included the return of part of U.S. military installation sites in South Korea.
 - Nov. 16 MND announces conclusion of negotiations with the United States on defense expenses. South Korean share of expenses for U.S. Forces stationed in South Korea \$490 million for 2002.
 - Nov. 22 MND announces testing of 100-kilometer short-range missile.
 - Nov. 22 MND announces that publication of the *Defense White Paper* would be in May instead of Oct. (Dec. in 2000), and biennially instead of annually.
 - Nov. 22 North Korea's Korean Central Broadcasting accuses South Korean forces of taking a militant stance by bringing a 105 mm howitzer into demilitarized zone. South Korean Joint Chiefs of Staff Office promptly refutes these allegations as groundless.
 - Nov. 25 National Intelligence Service announces that South Korean soldier who had been captive during Korean War had escaped from North Korea, and returned recently, becoming 23rd returnee from North Korea since 2nd Lt. Cho Chang Ho in 1994.
 - Nov. 27 MND announces that South Korea had fired in response to shooting by North Korean forces at South military post near Gyeonggi-do.
 - Nov. 27 MND announces that Defense Minister Kim Dong Shin would visit China from Dec. 13 and Vietnam from Dec. 19.
 - Nov. 29 MND spokesman condemns shooting by North Korean forces at DMZ on Nov. 27.

(3) Need for Conventional Arms Control

Encouraged by the realization of the intra-Korean summit in June 2000, viability has emerged in discussions on the need to change the structure of military confrontation through talks with North Korea. The Bush administration is also endeavoring to include less threatening conventional arms in the agenda for North Korea-U.S. negotiations.

South Korea is looking upon inter-Korean defense ministerial talks and working-level military meetings, and the establishment of military hotlines as the first stage of military confidence building. The second stage is planned to be the implementation of measures such as mutual advance notice and observation of military exercises. There is a strong demand in the United States and elsewhere for a pull back of North Korean forces stationed along the DMZ, as the fact that Seoul is close to the DMZ (about 40 kilometers) is a source of threat.

The Agreement on Reconciliation, Non-Aggression, and Exchanges and Cooperation Between South and North Korea concluded in 1992 set a basic framework for the issue of inter-Korean military confidence building. In reality, however, this agreement has not been implemented. Nonetheless, opinion is strong in South Korea that North and South Korea should take responsibility for resolving military problems based on the agreement.

In 2001, North Korea refused to talk with the United States and avoided addressing military issues during talks with South Korea. As a result, arms control and disarmament issues were never taken up. The South Korean government hopes to resume summits to urge North Korea to make decisions and to iron out the difficulties.