

An hourglass-shaped graphic with a globe inside. The top bulb is dark blue, and the bottom bulb is light blue. The globe is centered in the narrow neck of the hourglass. The text is centered within the hourglass.

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*North-South Korean Relations: A Chronology of the "New"  
Dialogue*

Mark E. Manyin, Foreign Affairs, Defense, and Trade Division

Updated January 9, 2002

**Abstract.** This report chronicles major developments in the thaw between North and South Korea that followed the historic inter-Korean summit meeting in June 2000. In the months that followed the summit, the two Koreas developed a new dialogue, which included several interministerial talks, a meeting of defense ministers, talks on economic cooperation, and family reunions.

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## **North-South Korean Relations: A Chronology of Events in 2000 and 2001**

**Updated January 9, 2002**

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# North-South Korean Relations: A Chronology of Events in 2000 and 2001

## Summary

This report chronicles major developments in the thaw between North and South Korea that has followed the historic inter-Korean summit meeting in June 2000. In the months immediately following the summit, the two Koreas developed a new dialogue, which included several inter-ministerial talks, a meeting of defense ministers, talks on economic cooperation, and family reunions. The sheer breadth and depth of the dialogue indicated to many analysts that Seoul and Pyongyang were trying in earnest to regularize and institutionalize the rapprochement, in contrast to previously ephemeral thaws in 1972, 1985 and the early 1990s. There have been several setbacks, however, leading many critics to wonder whether North Korea's diplomatic outreach is merely a tactic to obtain economic assistance and reduce the U.S. troop presence in South Korea. Since February 2001, inter-Korean diplomacy has effectively been frozen. With South Korean President Kim Dae Jung being openly labeled a "lame duck," many have wondered whether his sunshine policy of engaging North Korea has run out of steam.

Due to the growing length of the chronology, this report will not be updated. Instead, a new North-South timeline will be started each calendar year, beginning with events on January 1 of that year.

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# North-South Korean Relations: A Chronology of Events in 2000 and 2001

## Background

**The Historic June 2000 Summit.** On June 13, 2000, South Korean President Kim Dae Jung flew to Pyongyang for a three-day summit with North Korea's paramount leader, Kim Jong-il. The meeting was the first-ever between the leaders of North and South Korea, which have been divided since 1945 and officially at war since 1950.<sup>1</sup> The two Kims signed a joint declaration pledging, among other things, to work towards eventual reunification, open a dialogue between government officials, engage in economic cooperation, permit family reunions, and hold cultural and athletic exchanges. Upon his return to Seoul, Kim Dae Jung stated that Kim Jong-il had verbally agreed that even if North-South tensions continued to be reduced, U.S. troops should remain in South Korea to help preserve regional and peninsular stability. "It became clear," the South Korean president continued, "that we will not ever go to war again."<sup>2</sup>

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

In October of 2000 North Korea slowed the pace of the dialogue – perhaps to focus on a flurry of diplomatic activity with the outgoing Clinton Administration –

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<sup>1</sup> North and South Korea's formal names are the Democratic People's Republic of Korea (DPRK) and the Republic of Korea (ROK), respectively.

<sup>2</sup> *Korea Herald*, June 20, 2000.

<sup>3</sup> For more on South Korea's "sunshine policy" toward North Korea, see CRS Report RL30188, *South Korea's Sunshine Policy*, by Rinn-Sup Shinn.

leading to the postponement and delay of scheduled family reunions and several meetings. Inter-Korean activity again picked up from November 2000 to January 2001 as the talks entered a new phase: ministerial-level talks shifted from meeting approximately every month to every quarter, with more frequent working-level meetings expected to provide forward momentum.<sup>4</sup> Kim Jong-il's business-oriented trip to China, combined with talk of "new thinking" in the state-run North Korean press, seemed to promise more breakthroughs in 2001.

Such hopes were frustrated in March of 2001, however, as North Korea abruptly halted virtually all inter-Korean contacts for nearly six months. Pyongyang linked the move to the Bush Administration's calls for stricter reciprocity in dealing with Pyongyang. However, the inter-Korean dialogue had slowed even before the Bush Administration launched its review of U.S. policy toward North Korea, a process that was completed in June 2001.<sup>5</sup> Economic talks in late 2000 and early 2001 had hit a snag over North Korea's demand that the South provide 500,000 kw of electricity immediately and 2 million kw soon thereafter. Although the two sides military-to-military talks in February produced an agreement on rules of operation for construction of a railroad through the DMZ, North Korea declined to sign and ratify the pact. Furthermore, Kim Jong-il made no move to fulfill his promise of a return summit visit to Seoul.

The inter-Korean dialogue picked up again in September, following Kim Jong-il's trip to Russia and Chinese President Jiang Zemin's visit to Pyongyang. The resumption was curtailed, however, by the changed international environment following the September 11 terrorist attacks against the U.S. There were some signs that North Korea would use the attacks as an opportunity to improve relations with the South and the U.S., if only to extricate itself from the U.S. list of terrorist sponsoring nations. In addition to condemning the attacks, Pyongyang publicly rejected terrorism and the support of terrorist organizations, signed two anti-terrorism treaties and announced plans to sign five more.

However, inter-Korean talks broke down completely in November 2001 due to Pyongyang's objections to Seoul's heightened security posture to guard against terrorism, and the North's demand that all future talks be held in the DPRK (rather than alternating between North and South) for security reasons. North Korea's chronic fears of an American attack were further heightened in November by the Bush Administration's apparent expansion of the definition of terrorism to include the development of weapons of mass destruction (WMD), and by several Administration officials' references to the North's suspected WMD programs. Some have interpreted the North hard-line stance as a sign that hard-liners in Pyongyang have gained the

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

<sup>5</sup> The policy review concluded that the U.S. will offer the DPRK a further lifting of U.S. sanctions, assistance to the North Korean people (presumably food aid), and "other political steps" if the North agrees to 1) start to take serious, verifiable steps to reduce the conventional weapons threat to the South, 2) "improved implementation" of the '94 Framework, and 3) verifiable "constraints" on North Korea's missile exports.

ascendancy.<sup>6</sup> Kim Dae Jung and his Cabinet have expressed pessimism about future talks being held or bearing much fruit.

Coinciding with the slowdown in inter-Korean dialogue since the spring of 2001, there have been a growing number of naval and border clashes between the two Koreas and between North Korea and Japan. Some analysts interpret these incidents as signs that North Korea is attempting to pressure its neighbors to be more forthcoming in bilateral talks, and warn of additional provocations from the North in the future. In the meantime, while Pyongyang's relations with Seoul, Washington, and Tokyo have worsened over the past year, North Korea has re-normalized relations with China and Russia and has established relations with a number of Western European countries, in an apparent attempt to diversify its diplomatic contacts.

**Civilian Contacts Continue.** Despite the freeze in government-to-government talks, North-South links between groups and individuals have continued to expand. This is a marked contrast to earlier thaws (in 1972, 1985, and the early 1990s) in which the governments monopolized cross-border activity. Although no South Korean firms have made no major direct investments in the North since the June 2000 summit, a number have taken tentative steps toward building an arms-length presence in the North. Over one hundred fifty Southern firms now manufacture goods in the North, primarily on a contract basis.<sup>7</sup> Samsung has sought to take advantage of the North's interest in information technology by opening a software center in Beijing using North Korean programmers and by applying to open an operation in Pyongyang. Outside business circles, grassroots inter-Korean civilian contacts also have continued to grow. Southern civic groups, for instance, donated approximately 73 billion won (over \$56 million at \$1= 1,300 won) in the first 11 months of 2001, compared with over 40 billion won (over \$30 million) for all of 2000.<sup>8</sup>

**Criticism of the Sunshine Policy in South Korea.** Within South Korea, criticism of President Kim's sunshine policy – particularly from the opposition Grand National Party (GNP) – has mounted over the past year, particularly as North Korea put a halt to the dialogue. The tension peaked in August and September 2001, when a controversial visit to Pyongyang by South Korean unification activists led to the forced resignation of the President Kim's Unification Minister, the collapse of his ruling coalition, and his party's loss of control over the National Assembly. The GNP's concerns have been less over the logic of the policy – the party generally has come to support some form of engagement with North Korea – than over its implementation.<sup>9</sup> The GNP leadership has charged President Kim with failing to insist on reciprocity from Pyongyang in exchange for Seoul's concessions and with ignoring

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<sup>6</sup> Aidan Foster-Carter, "Back on Track?" *Comparative Connections*, 3<sup>rd</sup> Quarter 2001, available at [<http://www.csis.org/pacfor/ccejournal.html>].

<sup>7</sup> Aidan Foster-Carter, "States Stalled: Business as Usual?" *Comparative Connections*, 2<sup>nd</sup> Quarter 2001, available at [<http://www.csis.org/pacfor/ccejournal.html>].

<sup>8</sup> *Korea Times*, December 14, 2001 and *Yonhap*, December 22, 2001.

<sup>9</sup> Lee Hoi-Chang's speech to the American Enterprise Institute, September 15, 1999.

important issues such as confidence-building measures and the several hundred South Korean POWs and kidnaping victims said to remain in the North. The GNP also has criticized Kim for failing to adequately consult with the National Assembly – in which the GNP is the largest party – and for trying to silence domestic criticism of North Korea.<sup>10</sup> President Kim's domestic support has been further weakened by the widespread perception that he is a "lame duck." By law, South Korean presidents can serve only one five-year term, and jockeying has already begun for presidential elections in December 2002.

The slowing of South Korea's economy in 2001 has added weight to the GNP's warnings that the government should avoid providing North Korea with significant economic assistance. After recording an 8.8% growth rate in 2000, the economy is expected to have grown by less than 3% in 2001. The slowdown also has accentuated the serious financial difficulties of the Hyundai conglomerate, particularly its North Korean business ventures, which have been the economic flagships of Kim Dae Jung's sunshine policy. Inter-Korean trade in the first 11 months of 2001 fell 9.3% year on year to \$363 million.

**What are North Korea's Intentions?** With the apparent – and perhaps temporary – collapse of Kim Dae Jung's sunshine policy, South Korea's ability to take the initiative on peninsular matters is limited. Thus, the future course of inter-Korean relations revolves to an even greater degree around North Korea's intentions, which remain opaque. In the aftermath of the June 2000 summit, many wondered whether Pyongyang's diplomatic opening was a sign that Kim Jong-il had changed his stripes, deciding to adopt a more cooperative posture and possibly reform the faltering North Korean economy. Others warned that the North's actions were merely tactics to obtain economic concessions from South Korea and its allies, thereby propping up North Korea's economy, rearming its deteriorating conventional military, and preserving the power of its communist elite. Another possibility is that the North Korean ruling elite is divided, with some reformers favoring a greater openness, and other interests – such as the Korean People's Army – opposing it. In any event, thus far, North Korea has largely succeeded in steering the North-South dialogue toward discussions over economic assistance and away from discussions over military confidence-building measures and internal economic reforms.

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<sup>10</sup> For instance, Hwang Jang Yop, the highest-ranking North Korean ever to defect to South Korea, has accused the South Korean government of threatening to evict him from a protected "safe house" in order to stop him from criticizing North Korea and Kim Dae Jung's sunshine policy. See *Yonhap*, November 23, 2000, and "The Moral Cost of Engagement," *Far Eastern Economic Review*, December 28, 2000.

## Chronology

### 2000

- 3/9/00 - Kim Dae Jung's "Berlin Declaration." In a speech in Berlin, ROK President Kim signaled Seoul's interest in extending economic assistance to North Korea, in exchange for reopening an official North-South dialogue.
- 4/8/00 - The ROK and DPRK announce they will hold the first-ever inter-Korean summit in June.
- 5/29-31/00 - DPRK leader Kim Jong-il makes a secret visit to Beijing, meeting with top Chinese leaders.
- 6/13-15/00 - **The North-South summit**, Pyongyang, between ROK President Kim Dae Jung (shown at left in photo) and DPRK leader Kim Jong-il. The two leaders sign a vaguely worded joint declaration, which indicates their agreement to work toward unification, exchange visits by members of divided families around August 15, 2000, repatriate DPRK prisoners in the ROK who have completed their jail terms, work for "a balanced development" of both countries' economies, hold a dialogue between the two governments at an early date, and increase social and cultural exchanges. The declaration also mentions that Kim Jong-il accepted Kim Dae Jung's invitation to visit Seoul "at an appropriate time." After returning to South Korea, Kim Dae Jung states that Kim Jong-il verbally agreed that even if North-South tensions continued to be reduced, U.S. troops should remain in South Korea to help preserve regional and peninsular stability. For details, see CRS Report RL30188, South Korea's "Sunshine Policy."
- 6/19/00 - The Clinton Administration eases economic sanctions imposed on North Korea since its invasion of South Korea in 1950.
- 7/31/00 - **ROK and DPRK foreign ministers meet** on the sidelines of the ASEAN<sup>11</sup> Regional Forum (ARF) in Bangkok, the first time the DPRK had been invited to the ARF. The ministers issue a joint press release agreeing to: hold ministerial-level talks starting August 29, hold family reunions, reopen liaison offices in Panmunjon, and begin discussing the reopening of severed railway links.
- 8/11/00 - Major ROK media publishers meet with Kim Jong-il and the state-run North Korean press in Pyongyang. The publishers agree on a plan of mutual coverage, including a pledge to "avoid confrontation . . . and stop slander."

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<sup>11</sup> Association of Southeast Asian Nations.

- 8/15/00 - The North-South Liaison office in Panmunjon, in the Demilitarized Zone (DMZ), reopened. It had been closed by the DPRK in 1996.
- 8/15/00 - **200 families reunited.** 100 ROK citizens travel to Pyongyang. 100 DPRK citizens travel to Seoul.
- 8/23/00 - Hyundai and the DPRK reach agreement to begin construction of an industrial park in Kaesong, a DPRK town near the DMZ. Surveying is to begin in September 2000 and construction is to begin in November 2000.
- 8/29-9/1/00 - **2<sup>nd</sup> Interministerial Meetings**, in Pyongyang. The ministers issue a 7-point joint press statement, which included the following items: a 2<sup>nd</sup> round of family reunions is to held by year-end; the two Red Crosses are to begin discussing the exchange of letters among divided families; discussions will begin in September over holding military-to-military meetings; and working level meetings will begin on economic cooperation and on reconnecting the Seoul-Shinuiju railroad. The next round of ministerial talks is scheduled for Sept. 27-30. The DPRK asked for 1 million tons of food aid. The end of talks are delayed a day, reportedly due to DPRK opposition to military confidence building measures, such as establishing a hotline and holding regular military-to-military talks. The communique did not mention a reciprocal visit to Seoul by Kim Jong-il. Prior to the meetings, there had been speculation that such a trip would take place in Nov. 2000.
- 9/12/00 - The ROK and DPRK announce that DPRK leader **Kim Jong-il will visit Seoul in the spring of 2001.** The announcement is made during a meeting of key aides to both leaders. The aides sign a joint communique stating that working level economic talks will open on September 25, defense ministers will meet, and a joint flood control survey of the Imjin River will be completed within the year.
- 9/17/00 - ROK President Kim's party announces its intention to revise ROK's National Security Law, which bans praise of and unauthorized contacts with DPRK.
- 9/18/00 - The ROK starts work on reconnecting the Seoul-Shinuiju (DPRK) railroad. The ROK's main opposition party boycotts the event.
- 9/19-23/00 - Red Cross negotiators meet and agree to two more family reunions (Nov. 2-5 and Dec. 5-7, 2000) for 100 people from each side in Seoul and Pyongyang, and to allow 300 people from each Korea to exchange letters with separated families, which would be the 1<sup>st</sup> ever inter-Korean mail links.
- 9/25-26/00 - **1<sup>st</sup>-ever inter-Korean defense ministerial meeting**, on Cheju Island (ROK). In a joint statement, the two ministers agree to ease military tensions so as to "completely eliminate" the danger of war on the

Korean peninsula. To allow the relinking of inter-Korean railroads and highways through the DMZ, the defense ministers agree to begin clearing mines and create an area of joint control in the DMZ. Another round of ministerial talks is scheduled for Nov. 2000, and a round of working level talks on the railroad is scheduled for October 2000. The DPRK did not respond to the ROK's confidence-building proposals, which included: establishing joint military committees at the working and upper levels, establishing a military hot line, and agreeing to observation and advanced notification of troop movements and exercises. Reportedly, the DPRK defense minister called on the U.S. to withdraw its troops from South Korea.

- 9/25-26/00 - **1<sup>st</sup> working level economic meeting**, in Seoul, makes progress on investment and double taxation agreements. ROK agrees to give DPRK 500,000 tons of food aid.
- 9/27-10/1/00- **3<sup>rd</sup> Interministerial talks**, on Cheju Island (ROK), end without much substantive progress. In a joint communique, the two Koreas agree to set up a joint economic commission and to increased social and academic exchanges. Reportedly, the DPRK requested a slowdown in the pace of inter-Korean projects.
- 10/1/00 - ROK President Kim proposes a "2+2" peace initiative, whereby the ROK and DPRK would sign a peace agreement that would later be endorsed and guaranteed by U.S. and China.
- 10/6/00 - The U.S. and DPRK sign a statement in which the DPRK declares its opposition to all forms of terrorism.
- 10/9-12/00 - Vice Marshal Jo Myong Rok, the DPRK's second-in-command, travels to Washington, the first visit to the U.S. by a high-level DPRK official. The two sides sign a joint communique, which states that "there are a variety of available means, including the four-party talks" for forging permanent peace arrangements, a move that the ROK hailed as a sign that North Korea might support President Kim's 2+2 peace treaty initiative, thereby abandoning its policy of negotiating a peace treaty only with the U.S.
- 10/18/00 - DPRK postpones scheduled 2<sup>nd</sup> round working level economic meetings due to its "internal situation."
- 10/23/00 - U.S. Secretary of State Madeleine Albright travels to the DPRK.
- 10/29/00 - 4<sup>th</sup> round of Ministerial-level talks are postponed.
- 10/31/00 - DPRK-Japan normalization talks. DPRK rejects Japan's proposal to offer it "economic aid" rather than financial "compensation" for the 40-year occupation of Korea. Future talks are not scheduled.
- 11/1/00 - DPRK-U.S. missile talks open.

- 11/2-5/00 - Scheduled family reunions are postponed.
- 11/6/00 - In talks with the United Nations Command (UNC) over opening the DMZ to inter-Korean rail and roads, the DPRK rejects a UNC proposal to transfer negotiating authority from the UNC to the ROK.
- 11/8-11/00 - **2<sup>nd</sup> round working level economic meeting**, in the DPRK, which had been scheduled for Oct. 18. Four agreements are signed, extending protection to foreign investors, ending double taxation, designating local banks to allow direct financial transactions, and establishing a bilateral body to settle potential trade disputes. Officials estimate that the agreements, which need to be ratified at the ministerial level and then by legislatures, could take 1-3 years before they go into effect. During the visit, ROK negotiators inspect a DPRK food aid distribution center, the first time the DPRK opens its distribution infrastructure to ROK inspection. The DPRK also provides a detailed accounting of food aid distribution.
- 11/16/00 - The DPRK and the United Nations Command in Korea agree that ROK can have administrative authority over the southern portions of the DMZ, where an inter-Korean railroad and highway are to be built.
- 11/28/00 - In a speech in Singapore, ROK President Kim calls for reopening the Four Party talks among the two Koreas, the United States, and China as a vehicle to negotiate a peace agreement. The talks, which opened in 1997, had been stalled since the fall of 1999.
- 11/28/00 - **1<sup>st</sup> working level military talks** to discuss administering the construction of inter-Korean railroad and road through the DMZ.
- 11/30/00 - 2<sup>nd</sup> round of defense minister talks, scheduled for Nov 2000, do not take place.
- 11/30-12/2/00 **2<sup>nd</sup> round of family reunions** of 100 people from each side. The reunions, originally scheduled for early November, are a lower key affair than the 1<sup>st</sup> round in August, in part due to protests in the ROK against the cost of the 1<sup>st</sup> reunion. The reunions proceed less smoothly than the 1<sup>st</sup> round: the DPRK lashes out at the head of the ROK Red Cross for his criticism of the reunion process, and the DPRK detains an ROK reporter who had criticized the DPRK. The two Red Crosses agree that letters between families will be allowed at a future date.
- 12/5/00 - 3<sup>rd</sup> round family reunions, originally scheduled for this date, are postponed.
- 12/10/00 - ROK President Kim receives the Nobel Peace Prize in Oslo.
- 12/11/00 - ROK President Kim says he expects to sign a far-reaching pact if DPRK leader Kim Jong-il visits Seoul in the spring of 2001.

- 12/12/00 - **2<sup>nd</sup> round working level military talks**, in the DMZ, produce a consensus on general principles for the repair of North-South railroads and construction of North-South roads in the DMZ. The two sides begin to draft common regulations for emergencies or accidental military conflict.
- 12/12-16/00 - **4<sup>th</sup> round inter-ministerial talks**, in Pyongyang. In a joint statement, the two sides announce: the establishment of an economic cooperation panel to meet later in December; a 3<sup>rd</sup> round of family reunions to be held in Feb. 2001 and a 5<sup>th</sup> ministerial level meeting to be held in March; work would begin on a DPRK proposal to open its East Sea waters to ROK fishermen. The talks are more contentious than previous rounds. As a prerequisite for more dialogue, the DPRK demands that the ROK agree to provide 500,000 kw of electricity. The ROK refuses, convincing the DPRK to defer the issue to economic cooperation panel meeting. The DPRK protests an ROK Defense White Paper identifying DPRK as “the main enemy,” pending a substantive reduction of the DPRK military threat.
- 12/21/00 - **3<sup>rd</sup> Round working level military talks**, in the DMZ, produces no significant results. The DPRK did not respond to ROK proposals for detailed safeguards to prevent accidental clashes between the two militaries, for a hotline be set up to link the two militaries, and for the DPRK to prevent its ships from crossing the Northern Limit Line (NLL), the marine extension of the DMZ that the DPRK has not accepted. The DPRK again expressed dissatisfaction about being designated as the ROK’s main enemy in the ROK’s Defense White Paper.
- 12/28/00 - Hoped-for military talks don’t materialize after the DPRK fails to respond to an ROK proposal for more talks.
- 12/28-31/00- **1<sup>st</sup> South-North economic cooperation promotion committee meeting**, in Pyongyang. The two sides agree to prepare a joint inspection of the DPRK’s energy situation in January and to discuss joint flood control surveys of the Imjin River, which runs through the DMZ. The talks stalled at one point when the DPRK demanded that the ROK agree to provide electricity before other issues were resolved. A second meeting is scheduled for Feb. 6-8, 2001 in Seoul.

## 2001

- 1/1/01 - In joint New Year’s editorials, three official DPRK newspapers state that North Korea will place top priority on rebuilding its economy.
- 1/1/01 - North Korean short-wave radio halts the broadcast of random numbers, which are believed to be coded instructions to spies in South Korea.

- 1/6/01 - Radio Pyongyang, the DPRK's official station, broadcasts a lecture on Korean unification that calls for a DPRK-U.S. peace treaty but omits any mention of a DPRK-ROK treaty.
- 1/8/01 - The ROK government delivers a draft inter-Korean agreement on a number of key issues to the DPRK Monday, which includes the provision of electricity, measures to prevent flooding along the Imjin River, joint-efforts to construct rail and road links as well as an industrial complex in Kaesong, the DPRK. An ROK Finance and Economy Ministry official says the document also sets the timing for a special team to determine the extent of DPRK's power shortages and for a joint team of experts to survey the Imjin River.
- 1/13/01 - North Korea's Fisheries Ministry proposes inter-Korean talks on a fishing agreement.
- 1/15/01 - **Kim Jong-il, accompanied by senior military officials, travels to China.** Economic issues dominate his trip, which includes a visit to joint venture plants and an economic development zone in Shanghai. Reportedly, during a meeting with CCP President Jiang, Kim endorsed China's economic reforms. Kim had last visited Shanghai in 1983, when the city was just beginning its economic reforms, and had criticized the reforms for ideological "revisionism."
- 1/17/01 - The ROK's foreign minister announces that the U.S. and ROK have reached an agreement allowing the ROK to deploy missiles with a 300 km. (187 mile) range, nearly double the previous 180 km. limit set by a 1979 bilateral agreement.
- 1/17/01 - At an ROK National Security Council meeting, President Kim sets three basic unification and security guidelines: improving inter-Korean reconciliation and cooperation, particularly on economic matters; establishing an inter-Korean peace regime; and maintaining a steadfast security posture.
- 1/22/01 - President Kim tells his Cabinet to begin preparing for "wholesale" changes in the North-South relationship because it appears that Kim Jong-il is ready to implement significant economic reforms
- 1/21-23/01- Chinese press accounts report that Kim Jong-il visited light industrial factories in the North Korea city of Shinuiju, near the Chinese border, and urged workers to abandon "old thinking" in order to adopt modern technology and increase production.
- 1/24/01 - In Tokyo, Kofi Annan says he hopes to visit North Korea in the first half of 2001.
- 1/25/01 - The South Korean government decides to send 100,000 tons of corn to North Korea through the World Food Program. In 2000, Seoul sent 600,000 tons of corn to the North.

- 1/25/01 - Presidents Bush and Kim hold their first phone conversation. Reportedly, few specifics are discussed. Bush issues a vague pledge to coordinate closely with South Korea and to help the two Koreas promote peace.
- 1/29/01 - **Working level meeting on North Korea's electricity situation** (in Kaesong, North Korea) delayed per Pyongyang's request.
- 1/29-31/01 - At the **3<sup>rd</sup> Round of Red Cross Talks** (in Mt. Kumgang, DPRK), the two sides issue a six-point agreement scheduling a third round family reunions on February 26, a letter exchange beginning March 15, and a fourth round of meetings from April 3-5 in a to-be-determined location. No agreement was reached on the South's primary goal at the meeting - establishing a permanent reunion facility. ROK proposed 2 temporary centers, in Mt. Kumgang and in Panmunjon. North Korea reportedly insisted on Mt. Kumgang. Additionally, South Korea proposed periodical or regular letter exchanges and an increased number of families for such exchanges.
- 1/30/01 - Hyundai Asan sends half of its \$12 million January 2001 payment to the DPRK, a violation of contract. The company blames snowballing losses from the Mt. Kumgang venture, estimated to reach 488 billion won (\$391 million).
- 1/31/01 - At a **4<sup>th</sup> round of working level military talks** (Panmunjon) on reconnecting the Seoul-Shinuiju railroad in the DMZ, the two sides near agreement on joint safety regulations aimed to help avert possible accidental clashes within the Demilitarized Zone (DMZ). Landmine clearance work within the DMZ is likely to begin in March.
- 2/6/01 - A three-person EU economic mission arrives in North Korea. Reportedly, the group will stay for about two weeks to inspect the DPRK's agricultural and energy industries, in preparation for a possible technical assistance program in the future.
- 2/7/01 - In the first high-level meeting between the Bush and Kim administrations, Secretary of State Colin Powell and ROK Foreign Minister Lee Jung-binn confer over breakfast in Washington and issue a joint statement affirming the Bush Administration's general support for ROK's policy of reconciliation and cooperation with the North. The meeting is notably devoid of much discussion of details, however, and Powell reportedly makes it clear that there will no development in relations between Washington and Pyongyang unless progress is made in discussions over the DPRK's missile program.
- 2/7-2/10/01 - **Working level meetings on North Korea's electricity situation** (Pyongyang) produces no results. ROK repeats its proposal that the two Koreas form a joint survey team, to which North Korea responds that it would only agree to more limited surveys if the South first supplies 500,000 kilowatts of electricity as soon as possible. No

follow-up meeting is scheduled, though South Korean officials propose a meeting in Seoul in early March.

- 2/8/01 - **5<sup>th</sup> working level military meeting**, at which the North Korea and ROK militaries reach a 41-point agreement on arrangements to reconnect the Seoul-Shinuiju railway inside the DMZ. The agreement stipulates that: the two sides will two checkpoints on either side of the military demarcation line (MDL); no military facilities will be allowed in the area; the removal of landmines and explosives in the area will be discussed a week before the de-mining work starts and the two sides will jointly take part in it; a hotline between the military authorities will be set up; to protect the ecosystem within the Demilitarized Zone, the two sides agreed to construct an eco-bridge. Pyongyang agrees to send the document to the South on Feb. 12, after it was signed by its People's Armed Forces Minister, Kim Il-chol. DPRK delegates declared there would be no more defense ministers' meetings between the two sides unless the ROK defense white paper is revised to remove the designation of the DPRK as the ROK's "principal enemy."
- 2/11-22/01- First North Korean arts group tour of the U.S.
- 2/11/01 - North Korea notifies ROK that it will delay the conveyance of the DMZ agreement on railroad construction due to "administrative problems." A new delivery date is not mentioned. Pyongyang earlier had agreed to send the document to the South on Feb. 12, after it was signed by its People's Armed Forces Minister, Kim Il-chol.
- 2/12/01 - Lim Dong-won, ROK director general of the National Intelligence Service (NIS) and architect of DJ's sunshine policy, arrives in the U.S. for a "secret" week-long visit. He meets with Secretary of State Colin Powell, CIA director George Tenet and National Security Advisor Condoleezza Rice, FBI Director Louis Freeh, and many private players on Asian security. Reportedly, Lim tells U.S. officials that President Kim will seek a vague declaration of peace, rather than a formal peace treaty, in a future summit with Kim Jong-il. Upon his return to the ROK, Lim acknowledges to reporters that a conceptual gap exists between Seoul and Washington over how to deal with North Korea.
- 2/13/01 - Hyundai Asan pays \$6 million delinquent from its January payments. North Korea had demanded this payment as precondition for considering Hyundai's request to reschedule payments.
- late February **2<sup>nd</sup> Inter-Korean Economic Cooperation Promotion Committee meeting** is postponed.
- 2/20/01 - Hyundai Asan chairman Chung Mong-hun goes to DPRK to negotiate payments for its Mt. Kumgang project with North Korean officials. The DPRK rejects his proposal to cut the monthly \$12 million payment in half.

- 2/22/01 - North Korea warns it might scrap a moratorium on long-range missile tests to protest what it calls a hard-line policy – including possible revisions of the Agreed Framework – by the Bush administration, following indications from the Bush Administration that it will review U.S. policy toward North Korea.
- 2/22-24/01 - Working level meeting in Pyongyang on joint flood control of Imjin River makes little progress. Seoul proposes that both sides conduct field surveys of the area beginning in March and that both sides exchange weather reports during the summer rainy season beginning this year. A follow-up meeting is not scheduled.
- 2/26/01 - **3<sup>rd</sup> round of family reunions** held.
- 2/27/01 - Putin - Kim summit in South Korea. The two leaders issue a joint communique stating that the 1972 Antiballistic Missile Treaty is a “cornerstone of strategic stability and an important foundation of international efforts on nuclear disarmament and nonproliferation,” which many interpret to be a statement of opposition to the U.S. missile defense program. In the days after the summit, Seoul insists that it did not intend the communique to represent its position on missile defense. While in Washington a week later, President Kim apologizes for the statement, which in retrospect he says should not have been included.
- 2/27-3/1/01 - DPRK economic mission arrives in U.S. The mission is composed of deputy ministers and bureau chiefs of the DPRK’s foreign trade and finance ministries. In New York City and Washington DC, the mission visits economic organizations and institutions, computer companies, and universities. Later report revealed that at a March 2 meeting with the IMF, the officials expressed their desire to join World Bank.
- 3/1/2001 - Germany and DPRK establish formal relations. The two sides agreed to a protocol that permits German diplomats and aid officials freedom of movement inside North Korea – a first. The protocol also calls for establishing a dialogue on human rights and arms proliferation issues.
- 3/2/01 - In a letter to President Bush, House International Relations Committee Chair Henry Hyde and two other congressmen urge the Administration to consider renegotiating the 1994 Agreed Framework, specifically by providing the DPRK with conventional power plants rather than nuclear facilities.
- 3/6/01 - Secretary of State Colin Powell states that the U.S. plans to pick up where Clinton left off in missile talks with North Korea.
- 3/7/01 - The first **Bush-Kim summit** (in Washington), a meeting both leaders describe as a “frank and honest” exchange of views. Although

expressing his support for President Kim's sunshine policy, President Bush rebuffed Kim's desire for the U.S. to continue President Clinton's policy toward North Korea. Expressing his "skepticism" about the ability of outsiders to verify agreements with DPRK, Bush indicated that his Administration was conducting a comprehensive review of U.S. policy toward North Korea. President Kim reportedly tries to convince Bush to adopt a broad-based "comprehensive" reciprocity rather than a tit-for-tat strict reciprocity toward the North. In a related move, Secretary of State Powell, backing away from his statements the previous day, denies that a resumption U.S.-DPRK negotiations is imminent.

- 3/8/01 - In a speech in Washington the day after his meeting with President Bush, President Kim **modifies his sunshine policy** in two ways. First, backing away from his previously stated goal of pushing for an inter-Korean peace agreement, Kim says he instead would focus on reactivating an inter-Korean non-aggression pact signed in 1992. Second, Kim proposes that U.S. and South Korean adopt a North Korea policy of "comprehensive reciprocity," in which Washington and Seoul would give Pyongyang economic assistance, a promise not to strike first against the Communist regime, and support the North's bids to join global organizations in return for the North simultaneously promising to observe the 1994 Agreed Framework, scrapping its missile program, and declaring non-aggression against the South. This is a departure from Kim's previous "flexible reciprocity" approach, in which many benefits to the North were to precede the North's concessions.
- 3/10-11/01 - DPRK and ROK trade union representatives meet at Mt. Kumgang.
- 3/13/01 - Henry Hyde, chairman of the House International Relations Committee, argues in a speech that North Korea has violated the 1994 Agreed Framework (AF) because it has not provided proof that it has discontinued its nuclear program. Hyde also calls on the U.S. to renegotiate the AF and backs President Bush's insistence on increased verification of the DPRK's nuclear program.
- 3/13/01 - **5<sup>th</sup> inter-ministerial talks** (in Seoul) **are postponed by DPRK** hours before the meeting is to take place. Items on the ROK's agenda include briefing the DPRK on the Kim-Bush summit, scheduling Kim Jong-il's visit to ROK, and discussing military confidence building measures.
- 3/15/01 - Letters exchanged among 600 families, 300 from each side, the first-ever private letters to cross the DMZ. The letters are permitted to include up to three pages and two photos. Cash and gifts are not permitted. Replies are not yet allowed, and the two countries' Red Crosses are due to discuss procedures for replies at their next Red Cross meeting, scheduled for April 3-5, 2001.

- 3/21/01 - Chung Ju-yung, founder of Hyundai Group, dies. DPRK leader Kim Jong-il sends a telegram to the family expressing his “deep condolences” over Chung’s death. The DPRK also sends a 4-person delegation to Chung’s funeral.
- 3/22/01 - The DPRK invites the EU to join missile talks.
- 3/24/01 - The EU announces that Swedish Prime Minister Goeran Persson will lead a delegation to Seoul and Pyongyang – perhaps as early as May – for talks with the leaders of the DPRK and the ROK. Swedish Foreign Minister Anna Lindh states, “It’s becoming clear that the new U.S. administration wants to take a more hard-line approach toward North Korea. That means that Europe must step in to help reduce tension between the two Koreas...”
- 3/26/01 - Hyundai Asan and DPRK reportedly agree to halve Hyundai’s \$12 million monthly payment to DPRK for Mt. Kumgang venture.
- 3/26/01 - South Korea postpones scheduled continuation of work on the Seoul-Shinuiju railroad because North Korea still has not signed or ratified the January 2001 agreement on construction procedures in the DMZ.
- 3/26/01 - President Kim shuffles the ROK foreign policy team. Lim Dong-won goes from the National Intelligence Service head to Unification Minister. Former Ambassador to the U.S., Han Seung-soo, becomes Foreign Minister. The new Defense Minister, Kim Dong-shin, has conservative ties. The move is widely interpreted as an attempt by President Kim to shore up his sinking popularity, and to improve relations with the United States.
- 3/26/01 - Japan, the United States and South Korea hold talks in Seoul to coordinate their policy toward Pyongyang. Reportedly, there are few detailed discussions over DPRK strategies because the U.S. is still reviewing its policy. The next Trilateral Coordination Group (TCOG) meeting is scheduled for May. In bilateral talks, ROK pushes the U.S. to accept the principle of “comprehensive reciprocity” toward DPRK.
- 3/27-29/01 - North and South Korean religious leaders meet at Mt. Kumgang.
- 3/28/01 - The DPRK rejects an ROK proposal to field an inter-Korean ping pong team for the 46th World Table Tennis Championships in Osaka, Japan in late April.
- 3/28/01 - Ryang Gyu-sa, a resident of Japan with North Korean citizenship, arrives in South Korea to play professional football for Ulsan Hyundai. Ryang also plays for the DPRK national team.
- 3/28/01 - General Thomas Schwartz, the commander of the Combined Forces Command in the ROK, testifies before the Senate’s Armed Services

Committee that the DPRK military is becoming larger, closer and more lethal day by day.

- 3/28/01 - With North Korea's tacit permission, an ROK navy ship travels two miles into DPRK waters to rescue the crew of a sinking Cambodian merchant ship. The ROK ship reportedly notified the North, but received no response.
- 4/3-4/5 - **4<sup>th</sup> Round Red Cross are postponed** when DPRK doesn't respond to a March 22 ROK proposal for the venue to be Seoul.
- 4/9/01 - North Korean patrol boats briefly enter ROK waters, on the southern side of the Northern Limit Line that is the de-facto border in the Yellow Sea. The boats, which ostensibly are guiding North Korean fishing vessels, retreat after being challenged by ROK naval ships. The incident is repeated on April 10. Similar incidents occurred on February 5 and March 3.
- 4/9/01 - Hyundai announces the temporary halving of its Mt. Kumgang tours
- 4/11/01 - The DPRK denies permission for 63 ROK tourists born in DPRK to travel to Mt. Kumgang, the first such denial for Hyundai's Mt. Kumgang project.
- 4/15/01 - The first-ever marathon in Pyongyang is held, with 600 North Korean and 45 foreign runners. The event is partially funded by foreign sponsorship and commercial advertising, also firsts.
- 4/17/01 - The reported date of Kim Jong-il's visit to Russia. The trip is delayed, however, reportedly because DPRK and Russia cannot agree on a military and economic aid package to DPRK. Reportedly, Russian President Putin turns down Kim's request for new Russian tanks, MIG-29 fighters, and crude oil.
- 4/18/01 - The ROK Unification Ministry grants a license to Kook Yang Shipping Co. to run one freighter along the Inchon (ROK) - Nampo (DPRK) route at least three times a month for six months. Until now, only one company (Hansung) possessed a license to run the route on a regular basis, and in November 2000 the DPRK denied entry of ships from Hansung to its harbor, citing their high costs, effectively shutting down maritime trade.
- 4/19/01 - ROK Foreign Minister Han Seung-soo urges the U.S. to resume talks soon with the DPRK, saying that ROK-DPRK ties were suffering from the "uncertainties" of the U.S. policy review.
- 4/24/01 - Hyundai's Chung Mong-hun visits DPRK to try to resolve Hyundai Mt. Kumgang financial problems.

- 4/26/01 - The ROK Unification Ministry announces that it will provide 200,000 tons (worth approximately \$52 million) in fertilizer to the DPRK. The first shipment is scheduled for May 2.
- 4/27/01 - The Russian and DPRK Defense Ministries sign an agreement to upgrade the DPRK's weapons supplied during the Soviet era.
- 4/27/01 - ROK Unification Minister Lim Dong-won tells a National Assembly committee that relinking the Seoul-Shinuiju railroad will be difficult to achieve in 2001 because the DPRK has halted work on the project.
- 4/30/01 - The U.S. State Department, in its annual "Patterns of Global Terrorism" report, continued to designate North Korea as a state sponsor of terrorism.
- 5/1/01 - ROK and DPRK trade unions celebrate May Day jointly at Mt. Kumgang.
- 5/2-4/01 - Kim Jong-il tells a visiting European Union delegation that the DPRK will maintain a moratorium on the testing of long-range missiles until 2003 and that he will travel to South Korea for a reciprocal visit at an undetermined future date. Kim does not renounce his right to export missile technology, however. Later in May, in talks with a U.S. scholar, DPRK Foreign Minister Paek Nam Sun reportedly says that Kim Jong-il's missile moratorium commitment is predicated on signs from the Bush administration that it was interested in better relations.
- 5/10/01 - Reports emerge that the DPRK has pulled its equipment and men from the construction site meant to reconnect the Seoul-Shinuiju railroad. The men and equipment had been deployed in September 2000.
- 5/14/01 - The EU and DPRK establish diplomatic relations.
- 5/16/01 - The DPRK's Korean Central News Agency releases a report on the Light-Water Reactor Project stating that "The failure by the U.S. to live up to its obligation" to facilitate construction by 2003 could "possibly drive us to respond to it with abandoning" the Agreed Framework.
- 5/22/01 - Hyundai Asan President Kim Yoon-kyu visits the DPRK for four days beginning Tuesday to ask the DPRK to halve the \$12 million monthly fee Hyundai pays Pyongyang for its money-losing Mt. Kumgang tourism project. Reportedly, little progress is made in talks, though Kim says the two sides reach an agreement to begin – at an undetermined date – overland tours to Mt. Kumgang.
- 5/22-26/01 - An International Atomic Energy Agency inspection meeting in the DPRK reportedly ends with no results other than the scheduling of the next meeting in October. The team had sought to reopen

negotiations with Pyongyang over conducting a far-reaching inspection of the DPRK's nuclear site at Yongbyon, including an analysis of spent fuel rods and plutonium waste to determine how much weapons-grade plutonium may have been extracted before 1994.

- 5/24/01 - Stating that inter-Korean talks have “temporarily stalled,” ROK President Kim Dae-jung publicly asks Kim Jong-il to mark the first anniversary of the June 2000 ROK-DPRK summit by committing to a reciprocal visit. The ROK also announces there will not be a joint North-South celebration of the first anniversary of the June 2000 summit.
- 5/27/01 - A DPRK patrol boat crosses the Northern Limit Line (NLL - see 12/21/00) for the second time in May and the seventh time in 2001.
- 5/27/01 - In Honolulu, at the first Trilateral Coordination Group (TCOG) meeting since Bush's inauguration, the U.S. expresses its intention to resume talks with the DPRK once the Bush Administration completes its policy review. The talks will be based on the North's ability to verify any agreements reached.
- 5/29/01 - An ROK civilian agricultural mission visits the DPRK for a week to discuss cooperative agricultural projects.
- 6/2/01 - **Three DPRK commercial vessels pass between Cheju Island and South Korea**, well into the ROK's territorial waters. The ships are confronted by ROK naval patrols. Ignoring repeated warnings, one crosses the Northern Limit Line (NLL - see 12/21/00). The other two ships return to international waters. The ROK navy apparently does not fire on the vessels, causing a political row in Seoul, particularly after radio transcripts of the exchange are leaked to the press.
- 6/5/01 - Korean Peninsula Energy Development Organization (KEDO) head Charles Kartman arrives in Seoul for a 3-day visit.
- 6/6/01 - **The Bush Administration announces it has completed its review of U.S. DPRK policy.** The U.S. will offer the DPRK a further lifting of U.S. sanctions, assistance to the North Korean people (presumably food aid), and “other political steps” if the North agrees to 1) start to take serious, verifiable steps to reduce the conventional weapons threat to the South, 2) “improved implementation” of the ‘94 Framework, and 3) verifiable “constraints” on North Korea's missile exports.
- 6/7/01 - Following a meeting with ROK Foreign Minister Han Seung-soo, in Washington, Secretary of State Colin Powell states “We are not setting any preconditions right now,” in reopening talks with the DPRK.

- 6/7-8/01 - Hyundai Asan and the DPRK reportedly agree on a settlement of Mt. Kumgang financial problems, in which Hyundai will pay \$22 million in back payments and the DPRK will open an overland route to the mountain. The overdue fees are paid on July 2. Future fees will not be fixed, but will vary according to the number of visitors to the site.
- 6/13/01 - Jack Pritchard, U.S. special envoy for Korean Peace talks, meet with DPRK U.N. ambassador Li Hyong Chol in New York to make arrangements for bilateral talks.
- 6/13/01 - A Singapore-bound DPRK cargo vessel, the Nampo 2, crosses the Northern Limit Line (NLL) into Southern waters in the East Sea before heading to open seas in response to an ROK navy warning.
- 6/14/01 - A DPRK commercial vessel, the Nampo-ho, carrying bicycles from Japan to the North crosses the Northern Limit Line, well outside the ROK's territorial waters. It is not challenged.
- 6/14-16/01 - At Mt. Kumgang, several hundred Koreans from Northern and Southern NGOs hold a semi-official celebration of the first anniversary of the inter-Korean summit.
- 6/15/01 - A DPRK vessel, Taedonggang, sailing toward the Northern Limit Line (NLL) in the Sea of Japan heads toward open seas after receiving a warning from the ROK Navy.
- 6/16/01 - Haegumgang Hotel, a floating lodge built to accommodate tourists at Mount Kumgang, is shut down by its owner, Hyundai Merchant Marine.
- 6/16/01 - ROK Defense Minister Kim Dong-shin begins a week-long trip in the U.S., during which he reportedly obtains an agreement on a division of roles in talks with the DPRK, wherein the U.S. will focus on the missile issue, the IAEA will handle the nuclear issue, and the ROK will focus on the conventional weapons issue.
- 6/18/01 - A DPRK Foreign Ministry spokesman states that U.S.-DPRK talks should begin by discussing U.S. compensation to the DPRK for economic losses suffered as a result of delays in the building of two light-water reactors in the DPRK. The U.S. rejects placing this matter at the top of the agenda.
- 6/19/01 - South Korea calls for a shipping pact with North Korea to establish rules of engagement and a bilateral consultative body.
- 6/19/01 - The International Atomic Energy Agency (IAEA) says that it cannot verify that the DPRK is not diverting nuclear material for military purposes because IAEA inspectors have not been given sufficient access.

- 6/20/01 - Stating that “tourism cannot be differentiated from politics and the economy,” the state-run Korea National Tourist Organization (KNTO) agrees to enter into a partnership with Hyundai Asan, in order to bail out Hyundai’s troubled North Korean tourism project. KNTO is expected to invest up to 100 billion won (\$77 million) for marketing and transport to North Korea’s scenic Kumgang Mountain resort. Sources also say that the KNTO will be paying \$22 million to acquire Hyundai Asan-owned hotels and service facilities in the tourist region, enabling Hyundai Asan to pay the \$22 million it owes in tour fees to North Korea.
- 6/24/01 - ROK naval ships fire warning shots at a North Korean fishing boat that crossed the Northern Limit Line (NLL) into ROK territorial waters. The Northern boat retreated.
- 6/25/01 - Anniversary of the start of the Korean War. At a luncheon with Korean War veterans, ROK President Kim Dae Jung calls for the signing of North-South peace treaty, to be endorsed by the U.S. and China.
- 6/27/01 - Samsung says it has requested permission to open an office in Pyongyang.
- 6/29/01 - Over DPRK objections, China allows a family of seven North Koreans holed up in a United Nations refugee office to leave the country, whereupon they depart for the ROK via Singapore and the Philippines. The family had sneaked into the Beijing office of the United Nations High Commissioner for Refugees and asked for refugee status.
- 6/29/01 - U.S. Deputy Secretary of State Richard Armitage says that the DPRK must accept International Atomic Energy Agency nuclear inspections, and that the ROK should take the lead in negotiating conventional force reductions. Armitage also indicates that the U.S. is ready to discuss providing satellite launches with the DPRK in return for the DPRK giving up the long-range ballistic missile program.
- 7/1/01 - Kim Jong-il visits the Chinese Embassy in Pyongyang.
- 7/3/01 - Citing U.S. intelligence officials, the *Washington Times* reports that the DPRK conducted a ground test of a Taepodong-1 missile engine in the last week of June. Without commenting on the report, U.S. officials say that flight tests, not ground tests, are prohibited by the North’s moratorium on missile launches.
- 7/5-6/01 - A Trilateral Coordination Group (TCOG) meeting held on Cheju Island, ROK.

- 7/6/01 - A DPRK patrol boat crosses the Northern Limit Line (NLL) in the Yellow Sea. It retreats after receiving warnings from ROK naval vessels.
- 7/9/01 - On a visit to Seoul, the International Monetary Fund's (IMF) first deputy director, Stanley Fischer, says the IMF is ready to investigate providing economic aid to North Korea once Seoul and Pyongyang agree on such a step.
- 7/11/01 - The ROK's Minister of Commerce, Industry, and Energy says his ministry is studying ways to send electricity to the DPRK, perhaps in exchange for coal or minerals.
- 7/15/01 - In New York, U.S. and DPRK working level officials discuss resuming talks. No results are reported.
- 7/25/01 - In contrast to the previous year, the DPRK Foreign Minister does not attend the annual ASEAN Regional Forum (ARF), reportedly due to "internal problems." A lower-level delegate attends instead.
- 7/26/01 - **Kim Jong-il begins a 24-day trip to Russia via train.** Following the summit with Russian President Vladimir Putin, the two countries issue an eight-point "Moscow Declaration" contending that the DPRK's missile program is peaceful, calling for joint efforts to combat terrorism, and labeling the 1972 Antiballistic Missile (ABM) Treaty a cornerstone of arms control efforts. The Kremlin also expresses "understanding" – though not agreement – for the DPRK's demand that the United States remove its forces from South Korea. Putin reportedly urged Kim to visit the ROK. The two sides agree to a plan to link railroads, under which Russia will provide technical and financial assistance to modernize the DPRK's tracks. Also, the two sides reportedly discuss an arms deal. Throughout the trip, Kim has virtually no contact with the public or the press.
- 8/2/01 - Hana Program Center, an inter-Korean computer software joint venture, opens in Dandong, China. Ten South Korean IT engineers will teach 30 North Korean trainees.
- 8/13/01 - At a press conference in Moscow, U.S. Secretary of State Donald Rumsfeld says that North Korea possesses enough plutonium to produce up to five nuclear warheads, and that North Korea is likely to successfully develop an intercontinental ballistic missile (ICBM).
- 8/15/01 - In his Liberation Day speech, Kim Dae Jung says "I hope that Washington makes its best effort to resume talks with Pyongyang," and calls on the North to deal with Washington "more positively."
- 8/15/01 - Some members of an 337-member ROK civic delegation to Pyongyang defy ROK authorities by attending a DPRK Liberation Day ceremony at a controversial DPRK monument to Kim Il-sung and

the North's unification policy. The members had promised the ROK government that they would not visit the monument. Several are arrested upon their return to the South, and the opposition prepares a "no confidence" vote in the National Assembly against the Minister of Unification.

- 9/2/01 - The DPRK's Committee for Peaceful Reunification of the Fatherland proposes a "fast resumption" of inter-Korean talks. The move comes on the eve of a **parliamentary no-confidence vote against the head of the ROK Ministry of Unification**, Lim Dong-won, the co-architect of Kim Dae Jung's "sunshine policy." On September 3, the no-confidence motion passes by a vote of 148-119. **Kim's Cabinet resigns en masse. Kim's coalition partner, the United Liberal Democrats, vote for the measure, sundering the coalition and depriving Kim's party of its position as ruling party of the National Assembly.**
- 9/3/01 - KNTD reportedly refuses to loan Hyundai Asan a further 45 billion won.
- 9/3-5/01 - Chinese President Jiang Zemin visits the DPRK, symbolically restoring the DPRK-China relationship that had been strained for nearly a decade. China promises aid in the form of food, fertilizer, and fuel, as well as economic support. Reportedly, Jiang encourages Kim Jong-il to visit Seoul. Kim openly praises China's economic reforms.
- 9/6/01 - Trilateral Coordination Group (TCOG) meeting is held in Tokyo.
- 9/10/01 - North Korea agrees to a joint feasibility study with Korea Gas Corp., South Korea's state-run gas corporation, on building a pipeline through North Korea to carry natural gas from Siberia to the South, the South Korean government said Monday. Further details of the study are expected by the end of September, and a route is expected to be chosen in 2002.
- 9/11/01 - Terrorist attacks against the World Trade Center in New York City and the Pentagon in Washington, DC, kill over 3,000. President Bush declares that the U.S. "will make no distinction between the terrorists who committed these acts and those who harbor them."
- 9/13/01 - North Korea denounces the terrorist attack on the United States.
- 9/13/01 - Groundbreaking ceremony held for excavation of the future light-water nuclear reactor site in Shinpo, DPRK.
- 9/15-18/01 - At their **5<sup>th</sup> ROK-DPRK ministerial meeting** (Seoul). The two Koreas agree that a **6<sup>th</sup> inter-ministerial meeting** will be held in October; a new round of family reunions will be held October 16-18; the DPRK will begin construction as soon as possible on its portion of an inter-Korean railroad; a foreign survey team will study flood

control on the Imjin River; and that working level discussions will begin on building an industrial complex in Kaesong and on an inter-Korean road along the peninsula's east coast. The ministers make no mention of a joint anti-terrorism agreement (as the South had hoped) following opposition by the North. Reportedly, the ROK turns down the DPRK's request for food aid and electricity.

- 9/18/01 - ROK Foreign Minister Han Seung-soo meets with U.S. Secretary of State Colin Powell in Washington, DC.
- 9/19-20/01- ROK troops at the DMZ fire warning shots at DPRK soldiers, who twice reportedly cross the military demarcation line briefly.
- 9/25/01 - A KEDO delegation arrives in the DPRK for routine talks.
- 9/30/01 - South Korea opens the Imjin River Railroad Station, 3.6 miles south of the inter-Korean border, in a move to prepare for an eventual reconnection of the inter-Korean Seoul-Shinuiju Railroad line.
- 10/3-5/01- Tourism talks held, focusing on opening an inter-Korean road to Mt. Kungang. No agreements are reached.
- 10/5/01 - At a U.N. General Assembly session, the DPRK expresses regret for the "tragic" September 11 terrorist attacks and rejects terrorism and the support of terrorist organizations. The U.S. publishes its annual terrorism report, in which the Japanese Red Army – members of which reportedly are sheltered by the DPRK – is removed from the list of terrorist organizations.
- 10/11/01 - The ROK announces plans to provide 300,000 tons of surplus rice (as a deferred loan) and 100,000 tons of corn (through the World Food Program) to the DPRK. The largest ROK opposition party backs the plan.
- 10/16-18/01 - A **4<sup>th</sup> round of family reunions is scheduled to take place**, but is postponed when the DPRK unilaterally pulls out on October 12, citing the ROK's nation-wide anti-terrorism alert that had mobilized the South's military. Also, the DPRK calls on the ROK to continue with forthcoming bilateral talks, but insists that they be held in the Mt. Kungang area due to safety concerns with the South's military being on high alert. Seoul rejects the venue site, insisting that the various talks be held at their originally planned locations in South Korea and in Pyongyang.
- 10/16/01 - In an interview with Korean, Japanese, and Chinese media outlets, President Bush says, "I've got a message to Kim Jong Il: Fulfill your end of the bargain; you said you would meet – meet.... He won't meet with you [the ROK]; he won't meet with us – which kind of leads me to believe that perhaps he doesn't want to meet. So he can blame it on who he wants, but it's up to him to make that decision.

Secondly, I think that he needs to earn the trust of the world. I think he needs to take pressure off of South Korea and off of the DMZ (Demilitarized Zone)...I know he needs to stop spreading weapons of mass destruction around the world.”

- 10/19/01 - In Shanghai for an Asia Pacific Economic Cooperation (APEC) summit, President Bush says, “I must tell you that I’ve been disappointed in Kim Jong-il not rising to the occasion, being so suspicious, so secretive.” After criticizing Bush’s statements, a DPRK spokesman says that restarting talks can be discussed “when the Bush Administration at least resumes the position taken at the end of the Clinton Administration.”
- 10/19/01 - Citing the ROK’s military alert, the DPRK on October 18 postpones scheduled Mt. Kumgang tourism talks, which were to be held at Mt. Seorak, ROK. The North proposes they be rescheduled for October 25 at Mt. Kumgang. The ROK refuses to move the venue.
- 10/23-26/01 - **Economic talks are scheduled to be held in Pyongyang.** Citing the ROK’s military alert, the DPRK on October 18 postpones the talks and proposes they be held November 5-6 at Mt. Kumgang.
- 10/28-31/01 - **Scheduled 6<sup>th</sup> Ministerial talks** are postponed until November 9 due to a DPRK demand that they be held at Mt. Kumgang, not Pyongyang.
- 11/9-14/01- **6<sup>th</sup> Ministerial talks** (at Mt. Kumgang) **fail to reach agreement.** Reportedly, both sides initially agree on additional family reunions and inter-Korean talks, but the discussions break down over economic matters, the location of future meetings, and the North’s anger over the South’s military alert. ROK Unification Minister Hong Soon-young says that the two sides differ so widely that it could be a long time before they resume dialogue.
- 11/12/01 - The DPRK signs two U.N. anti-terror treaties, the 1999 International Convention for the Suppression of the Financing of Terrorism and the 1979 Convention Against the Taking of Hostages.
- 11/15/01 - At a joint press conference with ROK defense minister Kim Dong-shin in Hong Kong, U.S. Secretary of Defense Donald Rumsfeld says that the DPRK’s missiles “constitute a very real threat” to the U.S.
- 11/18/01 - A North Korean patrol boat crosses the Northern Limit Line, retreating after being approached by a ROK interceptor boat.
- 11/19/01 - In a speech at a U.N. biological weapons conference, U.S. Under Secretary of State for Arms Control and International Security, John R. Bolton, says “The United States believes North Korea has a dedicated, national-level effort to achieve a biological weapons [BW] capability and that it has developed and produced, and may have

weaponized, BW agents....” In Seoul, Defense Minister Kim Dong-shin tells the National Assembly that the North has anthrax and smallpox in its germ warfare arsenal and could easily gear up to mass-produce the two.

- 11/23/01 - A ROK Unification Ministry official says that Seoul has no immediate plan to contribute to an expected U.N. appeal for emergency food aid to the North given the lull in inter-Korean talks.
- 11/26/01 - In answering a questions regarding terrorism, President Bush says “...if you harbor a terrorist, you’re a terrorist. If you feed a terrorist, you’re a terrorist. If you develop weapons of mass destruction [WMD] that you want to terrorize the world, you’ll be held accountable.” Some interpret the last sentence to mean that the U.S. has expanded its definition of terrorism. When asked about the DPRK’s WMD programs, the President says, “we want North Korea to allow inspectors in....We’ve had that discussion with North Korea. I made it very clear to North Korea that in order for us to have relations with them, that we want to know, are they developing weapons of mass destruction? And they ought to stop proliferating.” Pyongyang rejects the call for inspections.
- 11/26/01 - Trilateral Coordination Group meeting held in San Francisco. The three countries release a joint statement urging the DPRK to join the U.S.-led campaign against terrorism and to address concerns about its suspected nuclear weapons program.
- 11/27/01 - North Korean guards at the DMZ fire on an ROK guard post, prompting the first exchange of gunfire at the DMZ since June 1998.
- 11/28/01 - In an interview with Reuters, Kim Dae Jung acknowledges that he “cannot be fully certain” about whether Kim Jong-il will visit the ROK.
- 12/1-4/01 - Borje Ljunggren, leader of an EU delegation to Pyongyang, says DPRK officials tell him that Pyongyang is willing join the five remaining U.N. treaties that it hasn’t signed.<sup>12</sup>
- 12/3/01 - The DPRK and KEDO conclude an accord on quality assurance and warranties for the two light-water reactors (LWRs) being built in the North by the international consortium. Returning from the DPRK, KEDO head Charles Kartman says that Pyongyang will not be given

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<sup>12</sup> The 5 are: the 1997 International Convention for the Suppression of Terrorist Bombings; the 1980 Convention on the Physical Protection of Nuclear Material; the 1988 Convention for the Suppression of Unlawful Acts against the Safety of Maritime Navigation; the 1988 Protocol for the Suppression of Unlawful Acts against the Safety of Fixed Platforms Located on the Continental Shelf; and the 1991 Convention on the Marking of Plastic Explosives for the Purpose of Detection.

key nuclear components for the LWRs unless the North allows IAEA inspections and secures power transmission and substation facilities.

- 12/10/01 - IAEA spokesman David Kyd says that contrary to media reports, “There are no contacts going on with North Korea on resuming our activity of inspection...”
- 12/10/01 - A meeting between Hyundai Asan and the DPRK’s Asia-Pacific Peace Committee is scheduled to discuss rejuvenating the Mt. Kumgang tour projects. The North postpones the meeting.
- 12/16/01 - President Bush announces the U.S. withdrawal from the Anti-Ballistic Missile (ABM) treaty, in order to continue work on a national missile defense system. The DPRK’s initial response is relatively muted: “The U.S. announcement of its unilateral withdrawal from the treaty is arousing great apprehensions from the international community.”
- 12/17/01 - The DPRK says its Red Cross is suspending investigations to locate ten missing Japanese, whom Tokyo claims were kidnaped by North Korean agents. The move follows Japanese authorities’ arrest of leaders of pro-DPRK organizations in Japan on charges of embezzling money from ethnic Korean credit unions. Japan has made the kidnaping investigation a requirement for improving relations.
- 12/17/01 - Under KEDO auspices, 20 DPRK officials arrive in the ROK for a two-week nuclear safety training session. The North had demanded that the South keep the meeting secret.
- 12/18-21/01 - North Korean delegates attend an ASEAN Regional Forum working level meeting in Delhi.
- 12/19/01 - The U.S. announces that it will donate 105,000 metric tons of soybeans, vegetable oil, wheat, rice and nonfat dry milk to the DPRK, per the World Food Program’s request.
- 12/21/01 - South Korea’s Unification Minister Hong Soon Young announces that in early December, Seoul had canceled the South’s military alert that had been in place since the outset of the war in Afghanistan. Additionally, U.S. military officials say that 24 F-15 fighters that were deployed to Korea in October, at the Afghan war’s outset, would return to their home base in the U.S. Hong also announces that the ROK will provide 100,000 metric tons of corn to North Korea through the World Food Program, but will discuss additional food aid only at inter-Korean talks. The ROK has set aside, but not delivered, 300,000 tons of rice for the North.
- 12/22/01 - A vessel suspected of being a DPRK ship sinks in China’s exclusive economic zone after being chased by and exchanging fire with Japanese coast guard patrol boats.