



North Korea-South Korea Relations:
The Worm Turns

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Six years after the first (and only, so far) inter-Korean summit in Pyongyang, with its June 15 Joint Declaration ushering in a new era of “Sunshine” from the South toward the North – if not always vice versa – we might be entering a new phase. If multi-faceted exchanges between the ROK and DPRK remain brisk and look largely irreversible, as argued last time (and amply illustrated in the chronologies), this process may be becoming less one-sided.

As the second half of 2006 begins, South Korea is fed up – and is not disguising this behind honeyed words, as so often, for fear of offending Northern sensibilities. Two factors have prompted this new mood. Seoul was furious when in late May the North, at a day’s notice, cancelled an agreed upon long-delayed train test run on the two reconnected crossborder rail tracks, which have been physically ready to roll since last year. Rightly, it dismissed Pyongyang’s excuse of alleged instability in the South as “preposterous.” Coming just a week before key local elections, when the ruling center-left Uri Party of President Roh Moo-hyun was duly hammered by the conservative opposition Grand National Party (GNP), this was hardly a friendly or timely gesture by Pyongyang toward a government whose critics accuse it of being too generous toward Kim Jong-il, while demanding too little in return.

The result is an overdue outbreak of conditionality. Thus the South has agreed to help the North’s light industry – but only after those train tests. In June, the mood in Seoul hardened further, as fears grew that Dear Leader might be preparing to test-fire a *Taepodong* long-range missile for the first time since 1998. ROK Unification Minister Lee Jong-seok warned that such a launch would jeopardize further Southern aid. At a point where only a third of the 450,000 tons of fertilizer that the DPRK has asked for this year has been agreed and delivered, and with no agreement yet in place to send the usual 500,000 tons of rice, this is not a threat that Kim Jong-il can afford to take lightly.

Ministerial talks postponed, briefly

The quarter also began with a quarrel, but a more minor one by comparison. As described last time, the DPRK postponed the 18th round of quarterly ministerial talks since the June 2000 summit, due to be held in Pyongyang in late March, in protest at what were in fact routine U.S.-ROK military exercises. This *pro forma* gesture meant no lasting derailment,

and the talks duly took place within a month on April 21-24. This was the first chance for the South's new-ish Unification Minister Lee Jong-seok, appointed in January, to meet his Northern opposite number, "Cabinet Councilor" Kwon Ho-ung.

As usual, the meeting duly resulted in a joint press statement, although its eight points contained little of substance or detail. Thus, paragraph 2 spoke of "practical measures to ease military tension," but did not spell these out. Seoul was pleased to get a clause in about "resolving the issue of the people unaccounted for during or after the Korean War," raising the delicate issue of abductions (on which more below). Obeisance was paid to denuclearization as a goal, but with no timeframe suggested for a resumption of the Six-Party Talks. That seems no obstacle to inter-Korean intercourse, however: the next and 19th round was scheduled for July 11-14 in Busan, the ROK's second city and major port.

The section on economics (paragraph 5) contained a bit more meat. They agreed to hold a long overdue 12th meeting of the joint Economic Cooperation Promotion Committee (ECPC) "sometime in May." The agenda included a new item, to discuss extracting aggregate in the Han River estuary, as well as familiar if so far unrealized themes: joint development of resources, implementing trial runs of trains, opening crossborder railways, and cooperating in light industry and resources. More immediately, the South, which finished delivering an agreed 150,000 tons of fertilizer in April, made no commitment to meet the North's request for a further 300,000 tons plus 500,000 tons of rice, despite having done this in past years.

Lee looks for linkages

As so often, achieving even this much, or little, took hard graft. The final day of talks ran several hours longer than scheduled, with reported difficulty in hammering out an agreed statement – especially on the abduction issue. Downplayed in the past, this has been rising up the South's agenda. Before the Pyongyang talks, Minister Lee offered "bold" new aid if the North returns over 1,000 Southerners that Seoul believes it is holding. Some 600 are prisoners of war (POWs) who should have been released at the 1953 Armistice, plus a further 485 civilians – mainly fishermen – abducted thereafter. The DPRK denies detaining any ROK citizen against their will – even though the abduction cases (especially at sea) are clear-cut, while about 30 now elderly POWs have escaped from the North in recent years.

Though conservatives accused Lee of offering to reward criminal acts, a precedent exists. The former West Germany for many years paid the East to release political prisoners and let them go west. The ROK also has a human bargaining chip: some 30 old communists who want to go North, but were excluded from an earlier repatriation in 2000 because they had previously renounced their faith, probably under torture. While that earlier return was a one-off goodwill gesture with no *quid pro quo* required, this time the South will insist on reciprocity. But with the later case of Kim Young-nam showing the North still inclined to play charades (see below), it is not clear whether Lee's plan stands any chance of success.

Take me to your leader

The new unification minister tried to shake things up in other ways too. Frustrated at a lack of progress on both the abduction and nuclear issues, he asked to see Kim Jong-il – a rare privilege, granted out of the blue to his predecessor Chung Dong-young a year ago – only to be told that Dear Leader was away in the countryside. Requests to meet Rim Dong-ok, first vice director of the ruling Workers Party of Korea (WPK), were also nixed. Long an academic specialist on the North, Lee reportedly amazed his hosts, who were stonewalling on crossborder trains, by quoting the DPRK's founding "Great Leader" Kim Il-sung on the need to break down inter-Korean barriers.

Concretely, Lee also proposed turning Danchon in South Hamgyong province in northeast North Korea – an area rich in gold, silver, zinc, and magnetite – into a special zone to jointly develop mining. This did not make the final statement, unlike his other idea: to cooperate in dredging aggregate in the Han River estuary on the west coast. This stone would kill several birds: supplying both sides' construction industries, helping flood control on the Imjin River which flows into the Han – something agreed before, but unimplemented – and, not least, easing tensions in this frontline border region along the Demilitarized Zone (DMZ).

Theory easy, practice hard

Subsequent encounters underlined the difficulty of turning vague agreements into practice, and the North's reluctance to yield on some hardline positions. Thus a fourth round of talks between generals, held at Panmunjom in the DMZ on May 16-18, failed to narrow the gulfs evident when they last met in March. A military agreement is a precondition for creating a joint fishing zone in the West (Yellow) Sea, where the crab fishing season saw fatal border naval clashes in 1999 and 2002. Yet North Korea insists on first renegotiating the Northern Limit Line (NLL), the de facto marine border for over half a century since the Korean War ended in 1953. South Korea is not about to open up that can of worms, especially since the North's suggested new line would put several ROK-held islands into DPRK waters.

All this spilled onto land as well, since military consent is needed if crossborder trains are ever to run. Two relinked trans-DMZ railway tracks have been physically ready since last year. Roads in the same corridors are in regular if one-way use: taking Southern tourists to the Mt Geumgang resort on the east coast, and managers to the Gaeseong Industrial Zone (GIZ) north of Seoul, where 11 ROK firms (so far) employ 6,700 DPRK workers to make export goods. Yet on the rail front the North is still dragging its feet. Finally in May it agreed to hold short ceremonial test runs, originally planned for last October, on May 25 – only to cancel at one day's notice, citing the continued lack of military security guarantees as well as alleged instability in the South. This is seen as a rearguard action by the Korean People's Army (KPA), whose large and offensively deployed forces have reportedly been forced by even the limited border opening thus far to relocate several miles further back.

Seoul scowls

South Korea was not amused. Calling the last-minute cancellation “very regrettable” and the reason given “preposterous,” it accused the North of breaking the agreement and said Seoul held it fully responsible. The ROK insisted that “under all circumstances the railroads, the country’s main arteries, must be reconnected as was agreed between the two Koreas.” If not exactly a paroxysm of rage – a trope best left to Pyongyang, where it is routine fare – this is a sterner note than is usually heard from Seoul. In partisan terms, it was an untimely slap in the face for Roh Moo-hyun just a week before key local elections. The conservative GNP – an object of special Northern verbal venom – duly won by a landslide.

Nonetheless, as ever the South was keen for damage control. The long-delayed 12th ECPC meeting duly went ahead just a week later on Cheju Island in early June. A detailed nine-point agreement anticipated a range of cooperation – but with strings attached, although DPRK media omitted to mention these. Thus an agreement to cooperate in light industries and underground resources was adopted, to be effectuated “as soon as conditions are met.” The South explicitly glossed this as meaning railway test runs. Similarly, sand extraction from the Han estuary will begin once a military guarantee is in place.

Soap for zinc

Other clauses covered simplifying procedures at the GIZ to boost its international competitiveness, flood control on the Imjin River (a hardy perennial), joint work to prevent natural disasters, exchange of economic survey groups, and drawing up timetables for areas already agreed but not yet implemented, such as cooperation in fisheries and in science and technology. An intriguing new item is a meeting planned for July on “joint advancement into a third country in economic and resource development.” At a time when the DPRK is sending ever more workers abroad, from Siberia to Kuwait and Eastern Europe, to marry these with (say) ROK construction or energy firms and projects sounds a win-win idea.

But the centerpiece is the light industry-cum-mining deal, details of which have now been fixed after long wrangling – and still subject to those trains running. Seoul will provide raw materials worth \$80 million for basic consumer goods like clothing and soap, on a loan basis described as commercial. The North is to pay back 3 percent this year in the form of natural resources like zinc ingots and magnesia clinker, with the balance repayable in 10 years after a five-year grace period. The DPRK was keen to sign, and a separate accord says the ROK supplies will start being delivered in August, so there may yet be more rows and ambiguity, unless the train test happens soon (and is just one enough?). Seoul is eager to implement this project too, as a move away from one-sided handouts to more equal forms of cooperation.

Gaeseong chugs along

Meanwhile the Gaeseong Industrial Zone continued to expand. It seems both sides are at one in not letting their other quarrels derail this. At least two ROK ministers – MOU's Lee and Commerce and Industry (MOCIE)'s Chung Se-kyun – visited the complex in May, leading large delegations. Chung attended the groundbreaking for a factory apartment complex to house 40 ROK firms too small to each need their own building; costing \$22 million, this should be ready by June 2007. MOCIE has also brokered 16 deals for Gaeseong-based state-owned enterprises to supply major chaebols like Samsung Electronics and auto parts maker Hyundai Mobis. Most top chaebol still remain reluctant to venture into North Korea.

Gaeseong has also hosted foreign visitors. U.S. Ambassador Alexander Vershbow, seen as a hardliner, was among 76 Seoul-based foreign envoys who toured the zone June 12. The hope in Seoul is that this will soften attitudes in Washington. Even President Bush's special adviser on DPRK human rights, Jay Lefkowitz, whose criticisms of Gaeseong have riled the ROK government, may visit the zone in July. Yet despite the Roh administration's desires, there is no hope that the U.S.-ROK free trade agreement (FTA) currently under negotiation, will consider Gaeseong-made goods as South Korean. The U.S. side is puzzled as to why the ROK is playing this up so much, when there is zero chance that it will fly with Congress.

KEDO, RIP

May 31 saw the sad closing of a key early chapter in the history of inter-Korean ties when the executive board of the Korean Peninsula Energy Development Organization (KEDO) formally terminated its project to build two light-water reactors (LWR) at Geumho on the DPRK's northeast coast. Space forbids a detailed account here, but KEDO was formed in 1995 as a consortium to implement the October 1994 U.S.-DPRK Agreed Framework (AF), including supplying heavy fuel oil (HFO) while the LWRs were under construction. The three core founder members were the U.S., South Korea, and Japan, later joined by the EU.

In the inter-Korean context, KEDO's importance is that it forced the North to deal with the South in a practical way, at a time (not so long ago) when the two Koreas were hostile and had few or no contacts. Pyongyang was compelled to accept ROK reactors, and ere long South Koreans were working at Geumho. That in turn meant opening the first regular inter-Korean sea and air routes, to convey men and materiel. All this predated Kim Dae-jung's Sunshine Policy, and surely facilitated it by showing that the two Koreas could cooperate. By 2001, Northern engineers were quietly visiting the South for nuclear safety training.

KEDO was perhaps doomed with the election of President George W. Bush, whose mandate did not include donating nuclear power to an "Axis of Evil." Yet it continued until late 2002, when the second, ongoing North Korean nuclear crisis broke. At U.S. insistence, KEDO first suspended HFO deliveries, and in 2003 froze the LWR project,

whose termination was thus expected. Seoul regrets all this, but has had to accept political reality – and pick up most of the tab of over \$1 billion. Formally, the ROK state-owned electricity generator KEPCO now takes on all LWR assets; but in practice the DPRK – whose reaction to all this has been fairly low-key – is unlikely to let even movable equipment be recovered from the site.

Due process

One problem for Seoul with inter-Korean ties hitherto has been their often ad hoc character and doubtful legal basis. (Arguably, any contact with Pyongyang breaches the ROK's still unrepealed National Security Law.) On June 27, the Cabinet passed an "Enforcement Decree of the Law on Development of Inter-Korean Relations," effective June 30. The aim is both to create an institutional framework and improve public scrutiny. Such transparency will not soon be mirrored on the Northern side, although it does have a legal framework of sorts.

A sporting chance?

While it is now routine for the two Koreas to march together at the opening of the Olympic Games, they go on to compete separately. The idea of fielding a single team for the 2008 Beijing Olympics has been canvassed, but talks last December proved abortive. Urged on by IOC President Jacques Rogge, they tried again in late June. They agreed as ever on the joint name "Korea" and the now established unification flag: a blue peninsula on a white background. But they remain divided on selection: the socialist North demands an equal number from each side, while the capitalist South insists on performance-based criteria to pick only the best. This gap will not easily be bridged.

Civil contacts blossom

While this survey mainly focuses on state-level dealings, the special nature of inter-Korean relations means one must not ignore the growing plethora of nongovernmental links in so many fields. This "low politics," in Keohane and Nye's term, is in a real sense starting the long work of relinking what was torn asunder in 1945. (Reunification, if you will; but this word is used too loosely in Korea, when terms like reconciliation would be more apt. True *tongil*, if it ever happens at all, can only be the final destination of a very lengthy process.)

The chronology gives some idea of the variety and scale of this grassroots activity. In the past quarter this included, for instance, the first big (61) official delegation of ROK Roman Catholics ever to visit Pyongyang in April. On the cultural front, 90 treasures now held in the DPRK's Korean Central History Museum, and spanning 4,000 years of history, went on show at the National Museum of Korea in Seoul in mid-June; in mid-August, they will move to Daegu until mid-October. Meanwhile, in April 20, Southern archaeologists joined Northern colleagues to survey and excavate tombs of the Goguryeo era (37 BCE-668CE), registered last year as world heritage sites with UNESCO. This is

especially welcome given the North's habit of reconstructing some ruins to fit a political agenda, like the so-called tomb of King Dangun, Korea's mythical founder.

Also important is the scale and range of private as well as public Southern aid to the North, detailed each month on the ROK Unification Ministry (MOU)'s website at unikorea.go.kr. Local government is an intermediate category. Thus in early June, Sohn Hak-kyu, soon to step down as governor of the ROK's Gyeonggi Province (which surrounds Seoul), led a 100-strong team to inspect DPRK farms aided by Gyeonggi. Sohn, a moderate ex-dissident, is a contender – albeit unfancied – for the 2007 presidential race in the rightwing opposition Grand National Party (GNP), which the North usually excoriates in virulent terms.

Missile dashes DJ's return

In mid-June, as usual, both Koreas marked the anniversary of the 2000 Pyongyang Summit: the first and still the only such meeting. This time the southwestern ROK city of Gwangju, famed for its bloodily suppressed pro-democracy rebellion in May 1980, did the honors, hosting a 147-strong DPRK delegation which flew in directly from Pyongyang.

Meanwhile, the southwest's most famous son saw his plan to repeat his epochal trip north thwarted. Agreement had been reached for former President Kim Dae-jung to revisit Pyongyang in late June, amid hope in Seoul that the elder statesman's personal bond with Kim Jong-il might help to kickstart the stalled six-party nuclear talks. Cunningly, citing health reasons "DJ" had asked to travel by train, but the North resisted this. In any event the trip was called off, hit by the issue that dominated North Korea news during June: apparent signs that the DPRK was preparing to launch a *Taepodong* long-range missile, for the first time since 1998. By quarter's end no firing had occurred. But the threat caused upset in the region as well as Washington; even a normally uncritical China warned Pyongyang not to do it.

In Seoul the irritation already roused by the train cancellation deepened. Ministers warned that a missile launch would put in jeopardy further aid. One may query this, given that the ROK has not let the DPRK's nuclear defiance noticeably constrain the Sunshine Policy. Besides, other officials tell a different story. Vice Finance Minister Bahk Byong-won told a forum in Seoul June 29 that the South will intensify technical assistance and training, especially in market economics and management, to put the North onto a self-sustaining growth path. Given that those in Pyongyang who think firing a *Taepodong* is a great idea probably oppose such reforms, one can appreciate Seoul's policy dilemma.

An abductee's tall tales

As the quarter ended, the dilemmas and ambiguities of inter-Korean ties were crystallized by a surreal episode at the North's Mt. Geumgang resort. As mentioned above, the issue of Northern abductions has been gaining a higher profile. While long heading Japan's agenda with its troublesome neighbor, South Korea by contrast had been reluctant to

broach this despite its far larger number of cases. As discussed in our last issue, while at a recent family reunion the DPRK did let one kidnapped fisherman meet his mother, it physically blocked the ROK media from referring to his abduction. And whereas Japanese Prime Minister Koizumi Junichiro won an unprecedented confession of kidnapping and apology from Kim Jong-il, toward the South the North typically and brazenly continues to deny everything.

In a new twist, the Japanese and South Korean kidnaps are now intertwined. Japanese DNA tests, plus intelligence reports, suggested that Yokota Megumi – the best-known Japanese victim, seized at 13 (her parents have met George Bush, who recently raised her case with Premier Koizumi) – had married a South Korean abductee, Kim Young-nam, himself taken as a teenager in 1978 from a west coast island beach. Kim is thought to be the father of Megumi's daughter. According to the DPRK, Megumi took her own life in 1994.

This fresh turn made it hard for Seoul to go on playing down the abduction issue. Perhaps unexpectedly, Pyongyang made a gesture in response – if one that characteristically leaves as many questions as answers. At the most recent round of reunions of separated families – twice as large as usual with 200 families from each side, to mark the Pyongyang summit's sixth anniversary – the North actually produced Kim Young-nam and his children (he had since remarried) for a tearful reunion with his mother and sister. Moreover, it trusted him to assure a disbelieving ROK press corps that he neither defected nor was kidnapped, but had been swept out to sea on a raft until rescued by a DPRK vessel. He remained in Pyongyang, he said, because of the opportunity to get a free education right through college.

“Utter nonsense,” snorted a headline in the leading Seoul daily *JoongAng Ilbo*. Rightly so, since the Northern agent who admitted seizing the boy was later caught, served a sentence, and was returned to Pyongyang along with other “unconverted spies” in 1999. Calling the kidnaps “an abominable felony,” the paper thundered: “Until when will this regime and its deception continue to exist in the world?” Yet another editorial, a day earlier, took quite a different tone: granting that the principle of returning abductees “is difficult in reality,” and calling on Seoul to push Pyongyang at least to permit letters or regular meetings. In South Korea, unlike in Japan, public opinion does not wax so furious on kidnappings. While some may deplore this, the harsh fact remains that dealing with a regime that offends on so many fronts, all North Korea's interlocutors have somehow to prioritize their numerous concerns.

Two touchstones

As summer wears on, and especially in the wake of the early July missile tests, it remains to be seen if South Korea will sustain its new toughness of tone – and whether the walk follows the talk. Loss of nerve aside, there are at least two reasons why it might not. One is a justified fear that if Seoul withholds aid, or threatens to, Kim Jong-il will simply turn to Beijing – which will have few if any scruples about deepening its influence in

Pyongyang. Conceivably the *Taepodong* launch might force a united front of interlocutors, but this is unlikely to last long.

South Korea's other cause to pause concerns that murkiest of areas: North Korea's internal politics, especially as regards the Korean People's Army. That the KPA is the main obstacle to crossborder trains and the like is plausible; so for Seoul the challenge is to try to subtly strengthen Pyongyang's technocrats to stand up to their generals. Projects like the Gaeseong zone are hopefully creating a constituency in the DPRK for opening and reform; hence a blanket threat to freeze all such cooperation would only backfire. The task for Lee Jong-seok is to use a subtle, targeted mix of stick and carrot, offering positive or negative reinforcement in demonstrable sync with how North Korea behaves. The time for benefit of the doubt is past. From now, a healthy Sunshine should be built on genuine reciprocity.

Chronology of North Korea-South Korea Relations April-June 2006

April 1, 2006: ROK President Roh Moo-hyun urges a meeting of Southern business bodies to invest more in the North. They ask for more certainty on the Gaeseong project.

April 1, 2006: Chung Il-yong, president of the Journalists' Association of [South] Korea, says that some South Koreans went North voluntarily, and that it can be impossible to determine the truth about abductions. There are calls for him to apologize or resign.

April 1, 2006: The North's Korean Anti-Nuke (sic) Peace Committee criticizes the South for its alleged clandestine plans to develop a nuclear-powered submarine.

April 4, 2006: Farmers' organizations from both Koreas discuss how to implement the June 15 joint declaration in the DPRK city of Gaeseong.

April 4, 2006: Inter-Korean talks on fielding unified teams for upcoming sporting events, such as the 2008 Beijing Olympics, fail to agree. These are held on the sidelines of the 15th general assembly of the Association of National Olympic Committees (ANOC) in Seoul, which a four-member DPRK delegation is attending.

April 4, 2006: ROK's Cultural Heritage Administration says 20 Southern specialists will survey tombs of the Goguryeo Kingdom (37BCE-668CE) in the DPRK, registered last year as world heritage sites with UNESCO, with Northern colleagues April 19-May 2.

April 7, 2006: A telegram from the DPRK Red Cross reiterates a request for 300,000 tons of fertilizer. The North had asked for 450,000 tons; the South agreed to send 150,000 tons, and finished shipping this April 10. Last year it sent 350,000 tons (having been asked for 500,000 tons), as well as 500,000 tons of rice.

April 7, 2006: The ROK says postponed 18th round of North-South ministerial talks will be held in Pyongyang from April 21-24.

April 17, 2006: An ROK NGO, Korean Foundation for World Aid, says it will send about 10 Southern farmers with rice seeds up to twice a month for joint rice farming on some 800 hectares in the DPRK village of Sukchon (population 6,000) in South Pyeongan province.

April 21-24, 2006: The delayed 18th inter-Korean ministerial talks are held in Pyongyang. After overrunning by several hours, they produce an eight-point joint statement containing little either concrete or new.

April 26, 2006: Both Koreas' Red Cross bodies agree to mark the sixth anniversary of the June 15 Joint Declaration with a 14th round of family reunions, twice as large as usual, involving 200 families from each side. Two more video reunions will be held in August.

April 27, 2006: Meeting in Gaeseong, North and South agree to jointly celebrate the June 15 Joint Declaration's sixth anniversary in the ROK's southwestern city of Gwangju, with 150 delegates from each side. The 61st anniversary of liberation from Japanese rule in 1945 will be concelebrated in the DPRK around Aug. 15.

April 27, 2006: ROK Unification Ministry (MOU) tells National Assembly it will send 200,000 tons of fertilizer to the DPRK between mid-May and mid-July, at a cost of ROK 77 billion won (\$81 million); and will consider giving a further 100,000 tons.

May 3-4, 2006: Working talks on economic cooperation, held in Gaeseong, fail to reach agreement.

May 9, 2006: ROK Unification Minister Lee Jong-seok visits the Gaeseong Industrial Zone for the first time, with a 160-strong delegation from business and government.

May 13, 2006: After two days of talks in Gaeseong, North and South agree to hold long-delayed test runs on two reconnected crossborder railways on May 25.

May 16-18, 2006: A fourth round of meetings between generals, held at Panmunjeon in the DMZ, makes no progress on crossborder security issues. The North wants to redraw the maritime border in the West (Yellow) Sea, which the South will not entertain.

May 16-20, 2006: Han Wan-sang, head of the ROK Red Cross, leads 40-strong delegation from hospitals and pharmaceutical firms to Pyongyang to discuss medical aid and cooperation. He delivers medical supplies and equipment worth \$3.9 million.

May 17, 2006: Meeting at Gaeseong, the two Koreas agree that ROK former President Kim Dae-jung will visit Pyongyang for four days in late June. Precise dates and mode of transport are still to be agreed, with the North resisting Kim's wish to travel by rail.

May 17, 2006: Ground is broken in the Gaeseong Industrial Zone for a factory apartment complex, costing \$22 million, to house 40 small ROK firms and be ready in June 2007. The 200 guests include the South's commerce, industry and energy minister, Chung Se-kyun. His ministry, MOCIE, brokers 16 deals for Gaeseong-based SOEs to supply major chaebol like Samsung Electronics and auto parts maker Hyundai Mobis.

May 18, 2006: Meeting in Gaeseong, the two Koreas agree on most details at their June 15 celebrations. Two chartered DPRK aircraft will fly 150 Northerners to Gwangju June 14, with various sports and cultural events before they return home June 17.

May 18-19, 2006: Economic talks in Gaeseong reportedly narrow differences on proposed inter-Korean cooperation in developing the North's light industry and natural resources. They also finalize crossborder test train runs, set for May 25.

May 24, 2006: The North sends a telegram cancelling crossborder train test runs the day before they are due, pleading the lack of a military guarantee and "unstable conditions" in the South. An angry ROK dismisses this excuse as "preposterous."

May 29, 2006: Further talks on Kim Dae-jung's Northern visit fix the dates as June 27-30, but fail to agree on his mode of transport and the size of his entourage (the South wants 90).

May 31, 2006: The Korean Peninsula Energy Development Organization (KEDO)'s board formally terminates its project to build two light-water reactors at Geumho on the DPRK's northeast coast. This in effect renders the KEDO consortium itself moribund.

June 3-4, 2006: Sohn Hak-kyu, retiring governor of the South's Gyeonggi Province (greater Seoul) and a moderate presidential contender for the opposition Grand National Party (GNP), leads a 100-strong team to inspect Northern farms aided by his province.

June 3-6, 2006: The 12th Economic Cooperation Promotion Committee is held in Cheju. A nine-point agreement, effective "when necessary conditions improve" (meaning rail tests), includes Southern agreement to send the North raw materials worth \$80 million for its light industries.

June 12, 2006: U.S. Ambassador Alexander Vershbow is among 76 Seoul-based envoys who visit the Gaeseong Industrial Zone, with ROK Foreign Minister Ban Ki-moon.

June 14-17, 2006: Events to mark the sixth anniversary of the June 15 Joint Declaration are held in Gwangju, ROK as arranged, with a 147-strong Northern delegation attending. The South reportedly presses concern that the DPRK may test a long-range missile.

June 15, 2006: Seoul press reports say the South is sharing TV coverage of the soccer World Cup in Germany with the North.

June 16, 2006: An exhibition of 90 old Korean cultural treasures lent by the North opens at the National Museum of Korea in Seoul.

June 19-30, 2006: A 14th round of family reunions is held at Mt. Geumgang. Twice the usual scale, this allows two groups of 100 elderly persons each from both North and South to spend three days meeting long-lost relatives.

June 21, 2006: Jeong Se-hyun, former ROK unification minister who has led negotiations for Kim Dae-jung to revisit Pyongyang, says the trip will be postponed since the timing is not appropriate (a reference to reports that the North may test-fire a *Taepodong* missile).

June 28, 2006: Kim Young-nam, believed to have been abducted by the North as a teenager off a Southern island beach, meets his mother for the first time since 1978 at Mt. Geumgang.

June 28, 2006: South's Red Cross says it will give its Northern counterpart \$400,000, plus 10 buses and six cars, to expand the scale of family reunions by videolink.

June 29, 2006: ROK Army says it has recently removed 2,350 land mines from around military bases and border areas, including access routes to the GIZ.

June 29, 2006: Meeting in Gaeseong, the two Koreas fail to agree on fielding united teams at international athletic events, including the 2008 Beijing Olympics. Further talks are expected in mid-July.

June 29, 2006: Seoul announces that President Roh's chief security advisor Song Min-soon will visit the U.S. next week to discuss how to resolve the crisis over the DPRK's missile launch preparations and kick-start the six-way talks.

June 29, 2006: ROK Vice Finance Minister Bahk Byong-won tells a forum in Seoul that the South will intensify technical assistance and training, especially in market economics and management, so as to expedite sustainable economic growth in the North.

June 29, 2006: Kim Young-nam tells a disbelieving ROK press that he was not kidnapped but accidentally drifted to the North, where he stayed to get a free education.

June 29 2006: ROKs Korea International Trade Association (KITA) says inter-Korean trade rose by 34 percent in the first five months of 2006 to \$428.63 million. Southern exports grew 35.4 percent to \$264.97 million, while Northern exports rose 32.9 percent to \$163.66 million.