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SUBJECT: HEATED DPRK RHETORIC GETS COOL ROK REACTION

Classified By: POL M/C Joseph Y. Yun. Reasons 1.4(b/d)

1. (C) SUMMARY: Recent DPRK statements "nullifying" past inter-Korean agreements appear aimed at ratcheting up tensions, but the ROKG is not tense, based on our soundings of Blue House, Foreign Affairs, Defense and Unification officials. Those officials, as well as several academics, regarded increasingly shrill DPRK rhetoric as a desperate, but ineffective, attempt to persuade the Lee Myung-bak Administration to change course on South-North relations, as well as a plea for attention from the new U.S. Administration. Defense contacts report that ROK forces remain vigilant in the West Sea and elsewhere, but have seen no unusual DPRK movements. The ROK public, focused on the economic crisis, has reacted neither to DPRK rhetoric nor rumors of an "imminent" Taepodong 2 missile launch. END SUMMARY.

Mild ROKG Reaction to DPRK Statements

2. (C) The Blue House's outgoing Assistant Secretary to the President for National Security Affairs Yu Joon-ha, a career MOFAT official now being posted to Washington, D.C., told us on February 5 that the DPRK Committee for the Peaceful Reunification of the Fatherland's January 29 statement that

claimed to "nullify" and "abrogate" past inter-Korean agreements, including the seminal 1992 Basic Agreement, were seen as continuing the war of words that the DPRK had initiated after President Lee Myung-bak's election in December 2007. Yu said he and colleagues were not worried about the continued rhetoric, nor did they see the one-sided abrogation of the Basic Agreement as significant since it was never effectively implemented in any case. What did worry him was that the DPRK was running out of rhetorical cards and might resort to a provocation in the West Sea or along the DMZ.

3. (C) Asked about potential closure of the Kaesong Industrial Complex (KIC), Yu said he judged that improbable because the DPRK had signaled in December 2008, even when placing restrictions on daily traffic to the KIC, that continued business was encouraged. Ministry of Unification (MOU) Director of Budget and Planning Lee Chan-ho echoed that view in a February 3 meeting, noting that the DPRK workforce at the KIC had increased by about 2,000 persons since the December 1 restrictions were put in place.

4. (C) MOFAT Director of Inter-Korean Affairs Chin Ki-hoon said on February 5 that the ROKG would continue to carefully analyze all DPRK statements, but did not feel compelled to react to each one. He hinted that the ROKG had reached out to China and Russia to ask their governments to persuade the DPRK to dial down its rhetoric; he was not aware of whether either government had approached the DPRK.

5. (C) Like Yu, Chin added that the DPRK's January 29 statement about abrogating not only the Basic Agreement but also the "provisions of the West Sea Military Demarcation Line which are stipulated in its annex" was of concern because it pointed to a possible provocation in the West Sea. (Note: The Basic Agreement's Article 10 of the Annex to Chapter 2 states: "Discussions regarding the South-North sea demarcation line of nonaggression shall continue. Until the sea demarcation line has been finalized, the nonaggression areas of the sea shall be those that have been under the jurisdiction of each side until the present time." End Note.)

6. (C) Chin said further that MOFAT saw the DPRK's main motivation as trying to change ROKG policy, with secondary motives being to create solidarity in the DPRK after KJI's illness, and to clamor for attention from the Obama Administration. There was little chance of achieving the first objective because even leftist groups previously sympathetic to the North had become disillusioned when the DPRK failed to resolve the July Mt. Kumgang shooting death of

an ROK tourist and then placed restrictions on the KIC; the DPRK could have garnered some ROK public support by proposing family reunions or some such forward-leaning step. On the question of the DPRK's mindset, Yu said that the Blue House saw DPRK policymakers as unwilling to adjust to the fact of a new administration in Seoul, insisting on continuation of the Sunshine Policy they had grown accustomed too. Neither Yu nor our other interlocutors saw prospects for inter-Korean dialogue resuming in the near term.

7. (C) MOU's Lee Chan-ho, whose office is charged with preparing incoming MOU Minister Hyun In-taek for his February 9 National Assembly hearings, said that Hyun -- seen as the author of the "Denuclearization, Openness, USD 3,000" policy -- has made clear that he sees no need to change course on DPRK policy in light of the most recent rhetoric. Lee said that hundreds of National Assembly pre-hearing questions to Hyun had poured into his office. They showed the ruling Grand National Party (GNP) as supporting the current South-North policy, while the opposition Democratic Party (DP) focused on whether President Lee would send a special envoy to North Korea to try for a breakthrough, to which the answer was no.

8. (C) Major Cho Yun-gun from the Ministry of National Defense (MND) office responsible for the NLL, and the son of a former Minister of Defense, told us on February 5 that the DPRK's January 29 denunciation of the NLL should be put in perspective because such denunciations were frequent. Most recently, the DPRK had called the NLL invalid during the November 2007 South-North Defense Ministers meeting, held in the brief afterglow of the October 2007 Summit. Even so, MND was paying particular attention to the January 29 statement because when the DPRK made analogous comments about the KIC in November, it had followed up with actions (border restrictions and canceling Kaesong City tours) in December. Hence, MND was concerned that the DPRK might be willing to back up its words with action, so was paying more attention to everything related to the DPRK. Cho agreed with our Blue House and MOFAT interlocutors that the DPRK was seeking to influence ROKG policy, and that the recent statements were a bid for attention, but added that the particular threats the DPRK was making were an effort to deal itself more "bargaining chips" that it could use in negotiations with the Obama Administration.

Academics Calm Too

9. (C) Choi Jin-wook, Director for North Korean Studies at

the Korea Institute for National Unification (KINU), attributed the DPRK's recent provocative announcements to President Lee's policy of "benign neglect" toward North Korea. Lee's patient insistence on changing the terms of engagement with the North had driven the North to escalate tensions in an effort to force Lee to back down. Choi had advised the Blue House that by May or June the South should ease its position to avoid provoking the North to the extreme as it deals with a likely summer food shortage. However, he was concerned that Lee would be reluctant to abandon a policy that has so effectively grabbed the attention of the DPRK leadership.

10. (C) Another factor, Choi said, in the North's escalation of tensions was an effort to deflect attention internally from confusion and possible disagreement among the DPRK leadership. Besides Kim Jong-il's health scare and the resulting succession speculation, Choi said the leadership was unnerved by its inability to reign in market reforms that allowed the creation of local markets. The government had announced that as of January 1, markets, which since the late 1990's have been operating daily, would only be permitted to open three times per month. Unable to implement the restrictions, the government indefinitely postponed them. Choi said the government's failed directive was an indication of its loosening grip on control of social cohesion and could reflect disagreement among the leadership.

11. (C) The North's escalation of tensions, in addition to demanding attention from the ROK, U.S., and China, was an attempt to elicit sympathy from the South Korean public. Huh Moon-young, KINU Senior Research Fellow, echoed MOFAT's Chin in a February 4 meeting, saying that the DPRK had been successful in the past at manipulating South Korean public opinion, but not this time; not even leftists were moved to support the DPRK leadership. Choi attributed the public's lack of concern and response to the increasingly common perception of Kim Jong-il as an oppressive dictator. The ROKG he said, during the Kim Dae-jung and Roh Moo-hyun administrations, in an effort to justify and build support for the Sunshine Policy, had created an image of Kim Jong-il as a responsible leader. It is not an image President Lee has contributed to enhancing, and the DPRK's escalation of tensions had only encouraged the South Korean public's growing inclination to view Kim Jong-il as not deserving of the South's largesse. Huh and Choi both said the current economic crisis, as South Koreans become more focused on meeting personal and domestic needs, would make it even less likely that the public would pressure Lee to be more generous with the North.

Comment

12. (C) Under the Kim Dae-jung and Roh Moo-hyun administrations, the politically correct view among ROKG officials, with the exception of MND, was to pretend that animosities between South and North had diminished, and that it was just a matter of time until mutual trust developed. That attitude is largely gone -- in part because of the year of unrelenting rhetoric from the North -- replaced by a recognition that the North will opt to remain hostile unless the South resumes some version of Sunshine Policy. Even more pronounced is the apathy -- even nonchalance -- with which the ROK public has reacted to the DPRK's blasts. They see the DPRK as an object of pity, and the heightened North Korean rhetoric as a sign of distress rather than a realistic threat.

STEPHENS