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SUBJECT: NORTH-SOUTH RHETORIC: A YEAR OF CHILL

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

1. (C) SUMMARY: The rapid deterioration in inter-Korean relations since conservative Lee Myung-bak was elected as ROK President just over a year ago was probably inevitable given LMB's commitment to change the ground rules of inter-Korean relations which had been painstakingly established over the past decade by his two predecessors: Roh Moo-hyun and Kim Dae-jung. From Pyongyang's perspective, its over-the-top rhetoric, accompanied by a step-by-step cutting off of all South-North contacts, is intended to show President Lee that he does not call the shots in inter-Korean relations; rather, that's their job. The North's secondary motive is to sow the seeds of discontent among South Koreans, to point out to the South Koreans that their President is playing with fire. So far, Seoul's response has been calm, even nonchalant. President Lee has refused to get into the war of words, while staying the course on his proposal to help North Korea on the basis of denuclearization and reform, the so-called "Denuclearization, Openness, USD 3,000" plan. The South Korean public largely supports Lee's stance, which makes it sustainable for the foreseeable future. END SUMMARY.

Wait and See - December 2007 - March 2008

2. (SBU) From December 2007 until March 2008, a month after Lee's inauguration, the North remained silent, while Lee and advisors made clear that they wanted the ground rules for inter-Korean relations to change.

-- Lee reiterated the "Denuclearization, Openness, USD 3,000" proposal in his February 26, 2008 inauguration speech, saying it "will both benefit our brethren in the North as well as be the way to advance unification." He also called for talks: "the two leaders should meet whenever necessary and talk openly."

3. (SBU) Although, North Korea did not respond to that speech or otherwise speak out about President Lee until the end of March, there were early signs of tension:

-- On March 3, the ROKG's representative to the UN Human Rights Council in Geneva broke with the ROKG's practice of the previous ten years and called for improvement in the North's human rights situation; the North protested the comment on March 7.

-- On March 19, Minister of Unification Kim Ha-joong told a group of ROK businesspeople that it would be difficult to expand the KIC "if the issue of North Korea's nuclear programs remains unresolved."

-- On March 27, the North reacted, expelling 11 ROKG officials working at an inter-Korean economic cooperation office in the KIC, telling MOU officials privately that this was a response to the MOU Minister's comments.

-- On March 26, ROK Chairman of the Joint Chiefs of Staff General Kim Tae-young sent the North into spasms when he answered a parliamentarian's question about what the ROKG would do in the case of a nuclear threat from the North by saying, "We would identify possible locations of nuclear weapons and make a precision attack in advance." He also said the West Sea's Northern Limit Line (NLL) needed to be defended.

-- On March 28, the North called the NLL a "ghost line" and, as if to punctuate its displeasure, tested short-range missiles in the area.

-- On March 29, North Korean chief military negotiator Kim Young-chul sent a letter to Kim Tae-young, his ROK counterpart -- the first of several Northern overtures to the South during the year -- demanding a retraction of the "attack in advance" comment, while a KCNA editorial warned that South Korea would be turned to ashes if there were signs

of a preemptive attack.

4. (SBU) The DPRK broke its silence on Lee in a March 31 "Rodong Sinmun" newspaper editorial whose content was summarized in its title, "Ruin is the Only Thing that the South Korean Authorities will Gain through their Anti-North Confrontation." As expected, it was harsh, but even so, many observers were surprised at the ad hominem attacks on President Lee, as if the North had no qualms about burning bridges:

-- The editorial called Lee a "conservative political charlatan," a pro-U.S. flunkey living under colonial rule, a "mindless nation-selling traitor," "crafty racketeer", "fraud," "a nuclear war servant for the United States," who babbled absurd gibberish about denuclearization and openness while running a "neo-fascist regime." The editorial warned of "irrevocable, catastrophic consequences" if Lee did not change his ways.

5. (SBU) After that editorial, the North also beefed up its rhetoric and again employed the military-to-military channel:

-- On April 3, the North threatened closure of the inter-Korean border, presaging its partial closure in December.

-- On April 8, the North's representative to the general-level military talks, Lt. Gen. Kim Yong-chol, contacted ROK Maj. Gen. Kwon Oh-sung protesting JCS Chairman Kim's March 26 comment about a possible attack on the North's nuclear sites.

-- Also on April 8, giving the sense that the North was firing multiple salvos at once, KCNA published an article lambasting Lee, entitled "the Talk about Opening Up is an Insult and Provocation to Us," and broadcast a radio commentary entitled (Lee's) "Criminal Reckless Act of Driving North-South Relations to Ruin."

-- On April 10, in its second expulsion, the North kicked out a ROKG official overseeing construction of a family reunion center at Mt. Kumgang.

ROKG Response

6. (C) During this initial period, President Lee and his cabinet officials took pains to make clear that the Sunshine Policy era was over: human rights mattered; economic

cooperation required denuclearization progress; and in the meantime the North's nuclear weapons program could not be glossed over. An underlying message was that the South would no longer dance to the North's tune; provocative statements would simply be ignored. As a well-connected Dong-A Ilbo newspaper editor told us, Lee and his circle did not regard North Korea as a security threat, so they could ignore its rhetoric. For example, in early April President Lee, on the eve of his departure for the U.S., said, "...North Korea has spoken and behaved provocatively, but my Administration is coping with it calmly and sticking to its own principled perspective."

Disagreement over past Agreements - March - July

7. (SBU) From March through early July, the North's principle complaint changed from the ROK JCS comments on preemptive strike on nuclear facilities to past inter-Korean agreements, i.e., the baseline for possible inter-Korean talks. The North called for adherence to what it deemed the unification-oriented, non-confrontational, no-third-party (i.e., without the U.S.) spirit of the June 2000 agreement, and for carrying out the October 2007 "implementation plan." Pyongyang's central message was that LMB was reneging on the historical summit agreements which had "boosted the faith of all Koreans that they can achieve reunification, peace, and prosperity of the nation, and realize national reconciliation, unity and cooperation under the By-Our-Nation banner."

8. (SBU) The South countered that all past agreements needed to be taken into account, and pointed out that the October 2007 agreement had a USD multi-billion price tag that would require extensive discussion rather than a simple yes/no.

-- Even so, on July 1, Unification Minister Kim Ha-joong appeared forward-leaning, saying that, "If we negotiate with North Korea, it may be possible to implement the October 4 declaration 100 percent. We can discuss with the North every single specific."

-- Kim also talked about the two sides' Olympic teams entering the Beijing stadium together, an item in the October 2007 agreement.

9. (SBU) The South also signaled willingness to provide food aid:

-- On May 15, Foreign Minister Yu Myung-hwan said that the

ROKG was studying the possibility of providing food aid to the North; on May 18, he hinted that aid could be provided even without an official request from the North.

-- On June 30, the ROKG offered 50,000 metric tons of corn to the North.

-- In his July 11 speech marking the opening of the National Assembly session Lee, although he had been briefed on a North Korean sentry's killing of an ROK tourist at the Mount Kumgang resort that morning, made several proposals to the North, including a full dialogue based on all previous inter-Korean agreements and the possibility of "inter-Korean humanitarian cooperation," an obvious reference to food aid.

10. (C) The North demurred, replying on July 13 -- after tensions over the July 11 shooting rose -- that Lee had not gone far enough, stating that "Lee Myung-bak must stop playing with words and make clear his stance on the June 15 Joint Declaration and the October 4 Declaration in front of all our people." The North's rejection of South's overtures, conveyed in a tone that indicated Pyongyang saw itself as the senior party in the relationship, sent the message that the South had transgressed by offending the spirit of June 15 (i.e., Sunshine Policy) and would have to pay a heavy financial and political price to reestablish relations.

Mt. Kumgang Shooting -- July - August

11. (SBU) The July 11 Mt. Kumgang shooting death of middle-aged South Korean female tourist and aftermath was an interlude that soured relations even further. The episode, and the accompanying rhetoric, showed that not only could the two governments not make progress on the abstract issue of inter-Korean relations, neither could they effectively deal with a concrete issue involving a tourist who apparently strayed too far along a poorly marked beach in a resort that earned the North over USD 1 million per month.

-- Outraged at the pre-dawn incident, the ROKG demanded an on-site investigation by ROKG officials, halted tourism to the site, and demanded an apology.

-- The North issued a statement on July 12 that included the phrase, "The North feels regretful at this," but the statement also said, "The responsibility for the incident rests entirely with the South side." Clearly, Pyongyang was not ready to find a way to get the cash cow resort open again.

Leaflets -- October - December

12. (SBU) With the Mt. Kumgang issue left unresolved, there were further reasons for heightened inter-Korean tensions starting in September, as rumors that Kim Jong-il had suffered a stroke surfaced. The North grew neuralgic because ROK NGOs continued sending balloons carrying bundles of leaflets detailing KJI's poor health and lampooning his many paramours. Particularly galling for Pyongyang was that this new generation of leaflets contained one dollar notes, making certain that North Koreans would want them.

-- The North had first complained about the leaflets on May 30, saying that "frozen" relations would enter a "catastrophic phase" unless the South stopped the "reckless scattering of leaflets."

13. (SBU) Pyongyang's ire at the leaflets was such that it requested two mid-level military-to-military meetings in October on the DMZ. Reporting on the October 2 colonel-level meeting in an October 8 article, KCNA called the leaflets a violation of a 2004 military-to-military agreement to stop all psychological warfare, and concluded by saying that the North had delivered an explicit warning:

-- "Our side solemnly warned that if the puppet military continues to adhere to scattering leaflets even in the future, first, this will bring about grave consequences to all North-South cooperation projects in the KIC and Kaesong City tours, which are now underway; second, South Korean personnel's passage via the Military Demarcation Line will not be able to be properly materialized; and third, South Korean personnel staying in the KIC and the Mt. Kumgang tourist area will no longer be able to remain."

-- After a second military-to-military meeting in October, when the ROKG side again asserted that private groups could not be prevented from sending leaflets, the North Korean military called South Korean military authorities on November 12 to state that the limitations cited above would be put into effect as of December 1.

14. (SBU) ROKG officials made a show of working to stop leafleting, but, as an MOU spokesman explained on November 19, there were "few legal platforms to stop civic groups." The North carried out its threat to restrict border crossings as of December 1, stopping tours to Kaesong City and cutting down on the number of ROK businesspeople allowed at the KIC.

The effect was anticlimactic, fading off the front pages of Seoul newspapers after three days.

Comment

15. (C) It takes two to have a fight. The North greeted Lee Myung-bak, as it has done with other past ROK presidents, with hostility and bluster, asserting that Pyongyang calls the shots. However, it is also worth noting that the North adhered to some propriety, warning the South several times before placing restrictions on border crossings and appealing to the two summit documents for its substantive justification. However, President Lee, as signaled in his comment that "waiting is also a policy," was determined that the inter-Korean dialogue, if reestablished, will be on more reciprocal terms. There were openings he could have taken, for example, by stopping NGO leaflets, but he chose not to. Given these fundamental differences, this is a chill that will last for some time.

STEPHENS