



THE NATIONAL
COMMITTEE ON
NORTH KOREA

**North Korea: Economic Sanctions and
U.S. Department of Treasury Actions
1955-September 2006**

By Julia Choi and Karin Lee
Updated October 18, 2006

For more information about the National Committee on North Korea, see our website, www.ncnk.org

**North Korea: Economic Sanctions and
U.S. Department of Treasury Actions,
1955-September 2006¹**

On October 9,² the Democratic Peoples Republic of Korea (DPRK) declared that it had tested a nuclear weapon, once again capturing the world's attention – and bringing the certainty of a UN Security Council response and a more stringent U.S. sanctions regime.³

This paper aims to present a clear discussion of the history of U.S. and UN action against North Korea in order to place current and future measures in context. A brief summary of current events is followed by longer sections tracking the major changes in U.S. and UN sanctions against North Korea over the past six decades. Next, a summary of the measures taken by other relevant governments after the July 5 missile test and October 9 nuclear test is provided. The paper concludes with a chart of U.S. sanctions against North Korea from 2000-September 2006, as well as a time-line listing major events in U.S.-DPRK relations and the imposition and relaxing of U.S. sanctions.

The July 5 2006 Missile Test and the October 9 2006 Nuclear Test

Since 2000, when the Clinton administration lifted certain sanctions in response to North Korea's 1999 self-imposed missile-test moratorium, U.S. sanctions and the DPRK's WMD

¹ The authors would like to thank the following people for providing their insights, comments and assistance: Brad Babson, Alexander Ilitchev, John Feffer, Frank Jannuzi, Marcus Noland, James Paul, C. Kenneth Quinones, Dianne Rennack, and James Schoff. All errors remain the responsibility of the authors.

² This paper uses the dates of the actors to discuss events; thus the July missile test launch, which took place in the DPRK on July 5 and in the U.S. on July 4th is known as the July 5th missile launch; whereas UN Resolution 1718 is shown as being adopted on October 14, the date in New York when it was adopted.

³ Initial tests indicated that no radiation particles were present in the air; however by October 16, 2006, the U.S. government confirmed that radiation particles had been detected, indicating that it was a nuclear explosion. (USA Today, "U.S. intelligence: Air samples confirm N. Korea nuke test," October 16, 2006. Accessed at http://www.usatoday.com/news/washington/2006-10-16-us-north-korea_x.htm?POE=NEWISVA.)

development have been intimately linked. Now, with the adoption of UN Resolution 1718, a tougher U.S. sanctions regime may be imminent.

The U.S.-DPRK relationship is complex and involves many separate issues, but from the narrow perspective of the history of U.S. sanctions against North Korea, this particular trajectory began in March 2005, when North Korea announced the end of its self-imposed missile test moratorium – thereby calling into question whether or not the Bush administration would re-impose sanctions lifted in 2000.

The DPRK's short-range missiles tests on May 1, 2005⁴ and March 8, 2006,⁵ garnered only limited public condemnation from the United States and international community.⁶ However, on July 5, 2006, when the DPRK test-launched an array of ballistic missiles, including a long-range Taepodong-2, the world was watching. Intelligence reports had suggested for weeks that North Korea might be planning such a launch and U.S., South Korean, Japanese and Russian government officials had warned that a test launch would be seen as a provocative act.

Ten days after the missile test, in its first official response to North Korean actions since 1996, the United Nations Security Council adopted Resolution 1695. Departing from the more subdued responses that have characterized the Security Council's dealings with the DPRK for the last decade, Resolution 1695 condemned the missile tests, demanded North Korea cease all activities related to its ballistic missile program, and called on all Member States to comply with measures limiting North Korea's access to, and ability to sell, missile-related materials or

⁴ Glosserman, Brad "Good News Summit Kicks Disputes Down the Road," in *Comparative Connections*, Vol 7, No. 2, July 2005. (Accessed at <http://www.csis.org/media/isis/pubs/0502q.pdf>.)

⁵ Glosserman, Brad "Forward on Trade as Nuclear Talks Sputter" in *Comparative Connections*, Vol 8, No. 1, April 12, 2006 (Accessed at http://www.csis.org/images/stories/pacfor/0601qus_skorea.pdf.)

⁶ The United States did freeze the assets of 8 DPRK firms in October 2005, froze the US assets of two Swiss firm with alleged connections to DPRK's WMD program in March 2006, and issued a new OFAC regulation in April 2006. However, the administration made no public connection between its actions and North Korea's termination of its missile test moratorium.

technology. South Korea had already suspended food aid,⁷ and Japan and Australia had already enacted measures in response to the missile tests, mainly targeting the flow of finances from suspect entities to the DPRK. The United States had indicated that it might respond with additional sanctions as a means of implementing Resolution 1695, but such measures have not yet been implemented.

North Korea maintained that the July missile tests were its “legitimate right as a sovereign state,” claiming that the self-imposed missile testing moratorium had been upheld only on condition of continuing U.S.-DPRK dialogue.⁸ Condemning the resolution as an attempt by “some countries to misuse the Security Council,” North Korea unambiguously rejected Resolution 1695.⁹

The international community responded strongly when North Korea announced on October 3, 2006 that it would “in the future conduct a nuclear test under the condition where safety is firmly guaranteed.”¹⁰ Three days later the UN Security Council issued a presidential statement, stressing that “a nuclear test, if carried out by the DPRK, would represent a clear threat to international peace and security and that, should the DPRK ignore calls of the international community, the Security Council will act consistent with its responsibility under the Charter of the United Nations.”¹¹

The UN Security Council responded relatively quickly to the October 9th test. The debate within the council was contentious but brisk; on October 14, the Council adopted UN Resolution

⁷ The ROK reinstated food aid in response to reports of extensive flooding and mud slides in the North.

⁸ Pak Gil Yon, “Statement by Ambassador Pak Gil Yon, North Korean Permanent Representative to the United Nations, Following A Security Council Vote to Sanction North Korea,” UN Headquarters, The Federal News Service: New York, July 17, 2006.

⁹ Ibid

¹⁰ “DPRK Foreign Ministry Clarifies Stand on New Measures to Bolster War Deterrent.” (Accessed at <http://www.kcna.co.jp/index-e.htm>, under October 4 news).

¹¹ United Nations Security Council, Statement by the President of the Security Council, S/PRST/2006/41, October 6, 2006. (Accessed at <http://www.un.org/News/Press/docs//2006/sc8849.doc.htm> or <http://daccessdds.un.org/doc/UNDOC/GEN/N06/557/05/PDF/N0655705.pdf?OpenElement>)

1718. The vote was unanimous, despite the fact that the statements accompanying the resolution reveal unsettled differences.

The new resolution is much stronger than 1695; it calls for inspection of DPRK cargo, bars the travel to UN Member States of North Koreans “responsible” for the DPRK’s WMD program, requires UN Member States to freeze the financial assets of North Korean people or entities designated by the UN as engaged in DPRK WMD activities, invokes Chapter VII and requires the establishment of an oversight committee.

At this time member states are beginning to implement the new resolution. According to the New York Times, prior to the nuclear test an anonymous U.S. official indicated that a North Korean test would trigger extensive U.S. sanctions: "We'll end up going to full-scale sanctions; the only debate is what 'full-scale' means."¹² With the adoption of Resolution 1718, the meaning of “full-scale” should soon become clear. A short history about the meaning and extent of U.S. sanctions against North Korea is provided in this report. This report will be updated after new sanctions are announced.

U.S. Sanctions and Treasury Department Actions Against the DPRK¹³

Overview

The history of U.S. sanctions against the DPRK can be divided into four stages or periods. The U.S. maintained fairly comprehensive economic sanctions from the time of the Korean War until 1989, occasionally increasing the level of restriction during this period. Between 1989 and 1995 the export of goods from the U.S. commercial sector was permitted solely for the purposes of meeting “basic human needs.” A more extensive easing of sanctions accompanied the

¹² Sanger, David, “U.S. Readies Options on North Korea,” The New York Times, October 6, 2006. (Accessed at <http://www.iht.com/articles/2006/10/06/news/nuke.php>)

¹³ See page 33 for a summary of current US Sanctions against the DPRK

negotiation of the Agreed Framework in 1994. In 2000, President Clinton eased many remaining trade and travel sanctions in response to the DPRK's 1999 voluntary halt in missile testing. Licensing and trade regulations on most items for civilian use were significantly relaxed at this time. None of the sanctions eased in 2000 has been re-imposed during George W. Bush's tenure at this time; however new measures have been implemented through the Department of Treasury, affecting the flow of North Korean assets worldwide. U.S. rationales for its sanctions against the DPRK are presented below, followed by summaries of the changes that have occurred under each sanctions regime from 1950 until the writing of this piece.

Rationale and Imposition of U.S. Sanctions

The United States maintains sanctions against North Korea under four primary rationales: first, the state is considered a national security threat; second, it is on the State Department's list of state sponsors or supporters of terrorism; third, the DPRK is a Marxist-Leninist state; and fourth, the country has been implicated in the proliferation of weapons of mass destruction.¹⁴ In addition to diplomatic sanctions¹⁵, the U.S. government maintains various economic sanctions on trade, aid, arms sales and transfers, and access to assets under U.S. jurisdiction based on these four principles. Sanctions under the first rationale are specific to North Korea while the latter three apply to various country groupings of which North Korea is a part. Individual sanctions cannot necessarily be categorized neatly under one rationale or another but have sometimes been imposed under several different laws or regulations.

¹⁴ Rennack, Dianne E., "North Korea: Economic Sanctions," Report for Congress, Congressional Research Service, The Library of Congress: Washington, D.C., June 16, 2005, 1.

(Accessed at:

<http://www.usembassy.it/pdf/other/RL31696.pdf#search=%22Rennack%2C%20North%20Korea%3A%20Economic%20Sanctions%2C%202005%22>)

¹⁵ The United States has never normalized relations with the DPRK.

Following the outbreak of the Korean War in June 1950, the United States instituted a total embargo on exports to the DPRK.¹⁶ Under the Trading with the Enemy Act of 1917 President Truman also declared a national state of emergency against North Korea;¹⁷ each year the president renews the state of emergency.¹⁸ The Trading with the Enemy Act gave broad authority to the president to “investigate, regulate, or prohibit” financial transactions and importation/exportation, “through any agency that he may designate and under such rules and regulations as he may prescribe” during the time of war.¹⁹ Although most trade sanctions enacted due to this status have been eased in the years since 1950, because the DPRK continues to be considered a threat to national security, re-imposition of these trade sanctions remains at the president’s discretion.²⁰

Changes to U.S. sanctions against the DPRK that occurred between 1950 and 1989, sometimes not DPRK-specific, often resulted in more detailed restrictions. The Department of Commerce revised its Export Administration Regulations (EARs) in 1965, grouping countries by level of restriction,²¹ and North Korea remained on the most restricted list.²² North Korea’s placement on another list of notoriety—the State Department’s list of state sponsors or supporters of international terrorism—also reinforced Washington’s rationale for restricting trade and financial transactions with the DPRK. The State Department placed North Korea on this list

¹⁶ Rennack, Dianne E., “North Korea: Economic Sanctions,” 6.

¹⁷ The DPRK’s status as a threat to U.S. national security remains largely at the President’s discretion. A President can choose not to renew, or can lift, this status at any time. A joint resolution in Congress could also lift the state of national emergency.

¹⁸ Rennack, Dianne E., “North Korea: Economic Sanctions,” 14. In 1976 the National Emergencies Act (NEA) revised some of the authorities granted to the president in the Trading with the Enemy Act and in 1977, the International Economic Emergency Powers Act (IEEPA) replaced the Trading with the Enemy Act. Nations classified under the Trading with the Enemy Act were ‘grandfathered’ into the IEEPA, so the renewal of North Korea’s status now takes place under the NEA and IEEPA.

¹⁹ 12 U.S.C. Section 95a, 65th Congress, October 6, 1917, also codified as 50USC app5.

²⁰ Rennack, Dianne E., “North Korea: Economic Sanctions,” 7-8

²¹ “Major Provisions: Export Administration Act of 2001,” 107th Congress, September 6, 2001.

(Accessed at: <http://banking.senate.gov/docs/eea/mprov01.htm>)

²² Rennack, Dianne E., “North Korea: Economic Sanctions,” 7.

in 1988 after the 1987 bombing of Korean Air Lines flight 858 which was reportedly carried out by two North Korean agents.²³

The State Department's Annual "Country Reports on Terrorism" observes that the DPRK "is not known to have sponsored any terrorist acts since the bombing of a Korean Airlines flight in 1987."²⁴ There had been some discussion in Washington about removing North Korea from this list, particularly when the U.S. was pursuing improved relations with the DPRK.²⁵ Such discussions died down, however, with the change in the administration and as the issue of Japanese and South Korean abductees gained prominence. The Japanese government has urged the United States to keep North Korea on the State Department list until the issue is resolved.²⁶ A resolution condemning the abductions as "acts of terrorism and gross violations of human rights" passed in the House in July 2005, adding a congressional imprimatur to the link between the abductions and terrorism.²⁷

Under the Export Administration Act of 1979, governments of countries found to be sponsors and supporters of international terrorism can face a wide array of sanctions, including the forfeit of most trade and foreign aid, access to sales of items on the U.S. Munitions List, Export-Import bank assistance, and support through international financial institutions.²⁸ Other

²³ Ibid, 8

²⁴ 2005 Country Report on Terrorism, Chapter 6: State Sponsors of Terror, accessed at <http://www.state.gov/s/ct/rls/crt/2005/64337.htm>

²⁵ The Associated Press, "U.S. Officials Could Remove North Korea from List of Terrorist Countries," The Associated Press, October 7, 2000. (Accessed at: <http://archives.cnn.com/2000/ASIANOW/east/10/07/nkorea.us.ap/index.html>) and Krik, Don, "North Korea May Lose Terrorism Label," International Herald Tribune, January 31, 2000. (Accessed at: http://www.iht.com/articles/2000/01/31/kor.2.t_2.php)

²⁶ Nicksch, Larry, "Korea: U.S. - Korean Relations- Issues for Congress," April 14, 2006, 7. (Accessed at: <http://www.fas.org/sgp/crs/row/IB98045.pdf#search=%22Korea%3A%20U.S.%20-%20Korean%20Relations-%20Issues%20for%20Congress%22>)

²⁷ "Condemning the Democratic People's Republic of Korea for the abductions and continued captivity of citizens of the Republic of Korea and Japan as acts of terrorism and gross violations of human rights," H. CON Res 168, 109th Congress, passed in the House and was received and referred to the Senate Committee on Foreign Relations July 12, 2005.

²⁸ Rennack, Dianne E., "North Korea: Economic Sanctions," 8.

restrictions can include the denial of beneficial trade statuses, higher tax hurdles for potential investors, and additional regulations that make trade in food and medicines more difficult.²⁹ However, the president wields significant discretion in how these sanctions are applied, since exceptions for export licensing can be made even if a country is designated as a sponsor or supporter of terror.³⁰ North Korea's designation as a state supporter of terrorism in 1988, in essence, provided additional rationale for the sanctions already in place against the DPRK at this time.

A 1989 revision to U.S. Export Administration Regulations (EARs) allowed for the export to the DPRK of "commercially-supplied goods for basic human needs," providing that eligible goods were properly licensed. The new regulations stipulated that licenses would be granted on a case-by-case basis.³¹ Other changes in U.S. restrictions that year eased travel restrictions for certain activities as well as the flow of information to the DPRK.³² All other U.S. sanctions on trade, travel, and financial transactions remained intact.

The Agreed Framework and the Missile Test Moratorium

The next notable change in the U.S. sanctions regime against the DPRK came with the negotiation of the Agreed Framework in 1994.³³ More than opening up major trade or financial

²⁹ Ibid, 8

³⁰ Ibid, 7

³¹ Ibid, 7

³² Rennack, Dianne E., "North Korea: Economic Sanctions," 13. The changes affecting the flow of information reflect changes in technology, and are not DPRK specific.

³³ In the early 1990s U.S.-DPRK relations reached crisis level when DPRK officials admitted IAEA inspectors into the country for the first time, but refused inspectors access to a suspicious site. In 1993 the DPRK threatened to withdraw from the Nuclear Non-proliferation Treaty (NPT) and the U.S. renewed threats of additional sanctions, which the DPRK proclaimed would be tantamount to a declaration of war. In 1994 former President Jimmy Carter and Kim Il Sung reached an agreement to freeze nuclear proliferation on the Korean peninsula, halting the threat of UN sanctions against the DPRK. The resulting Agreed Framework stipulated that, in return for shipments of fuel and the construction of two light water reactors, North Korea would dismantle its nuclear weapons program. Both countries agreed to pursue normalized relations, which held the promise that the U.S. would ultimately eliminate all sanctions on the DPRK.

linkages between the U.S. and North Korea, these changes, which were enacted in 1995, appeared to exhibit a willingness to begin a move toward normalized economic and diplomatic relations. The revisions of U.S. Foreign Assets Control Regulations (FACRs) included measures that eased the processing of financial transactions and authorized all transactions related to North Korea diplomatic missions in the U.S., and U.S. missions in the DPRK.³⁴ The new regulations also allowed news organizations to establish offices in North Korea and permitted limited forms of international trade. North Korean magnesite and magnesia could be imported by licensed entities in the United States and U.S. entities involved in the provision of light water reactors, as laid out in the Agreed Framework, could be issued licenses authorizing transactions and deliveries pertaining to these projects.³⁵ Two more revisions in 1996 and 1997, respectively, allowed donations in response to flooding and famine in the DPRK and authorized payments to the DPRK for services to U.S.-owned or controlled aircraft “in connection with the overflight of,” or “emergency landing in North Korea.”³⁶ Despite these adjustments several sanctions, related to the DPRK’s continued status as a threat to national security and as a state supporter of terrorism, remained.

In 1999, responding to the DPRK’s self-imposed moratorium on missile testing, President Clinton announced the most comprehensive easing of U.S. sanctions against North Korea since 1950. These revisions, implemented in 2000, significantly relaxed U.S. sanctions on travel, and imports from, and exports to, the DPRK. Under these revisions, trade involving most goods for civilian-use became legal, with the required approval from the Treasury Department’s

³⁴ Foreign Assets Control Regulations, Title 31, Part 500, Section 500.580, February 16, 1995. (Accessed at: http://www.access.gpo.gov/nara/cfr/waisidx_03/31cfr500_03.html)

³⁵ Foreign Assets Control Regulations, Title 31, Part 500, Sections 500.580- 500.584, February 16, 1995.

³⁶ Rennack, Dianne E., “North Korea: Economic Sanctions,” 14.

Foreign Assets Control Regulations, Title 31, Part 500, Section 500.585, April 10, 1997. (Accessed at: http://www.access.gpo.gov/nara/cfr/waisidx_03/31cfr500_03.html)

Office of Foreign Assets Control (OFAC).³⁷ Approval reportedly became routine,³⁸ providing that imported goods were not produced by entities cited as involved in missile proliferation or by activities of the DPRK government related to the development or production of “any missile equipment or technology,” or “electronics, space systems or equipment, and military aircraft.”³⁹ Most travel restrictions were also eased in 2000.

Other Barriers to U.S.-DPRK Trade

However, the DPRK faces economic barriers to trade with the United States other than outright trade sanctions. For example, the Trade Agreement Extension Act of 1951 stipulates that Communist countries are not eligible for normal trade relations (formerly called Most Favored Nation, or MFN, status) with the United States.⁴⁰ Although imports from these countries may be legal, they face higher rates under the U.S. Harmonized Tariff Schedule (HTS). General Note 3(b) of the HTS stipulates that North Korea and Cuba are subject to statutory duty rates under Column 2 of the Schedule’s two column tariff system.⁴¹ (Column 1 presents the duty rates charged to all nations with which the United States has normal trade relations.)⁴²

³⁷ During the same period, in the late 1990s, Congress moved to lift prohibitions of sales of food and medicine to states identified on the State Departments’ list of state sponsors of terror. The Trade Sanctions Reform and Enhancements Act, which passed in 2000, codified the lifting of unilateral sanctions of sales of those items, with certain financing and licensing conditions. See Jurenas, Remy “Exempting Food and Agricultural Products from US Sanctions: Status on Implementation, Updated April 18, 2006.” Accessed at <http://www.opencrs.com/document/IB10061/>.”

³⁸ Noland, Marcus, “The Legal Framework of US–North Korea Trade Relations,” Op-ed in *Joongang Ilbo*, April 27, 2004. (Accessed at: <http://www.iie.com/publications/opeds/oped.cfm?ResearchID=206>)

³⁹ Foreign Assets Control Regulations, Title 31, Part 500, Section 550.586, June 19, 2000. (Accessed at: http://www.access.gpo.gov/nara/cfr/waisidx_03/31cfr500_03.html)

⁴⁰ Rennack, Dianne E., “North Korea: Economic Sanctions,” 9.

⁴¹ The Harmonized Tariff Schedule of the United States can be accessed online at: <http://www.usitc.gov/tata/hts/bychapter/index.htm>. Tariffs on the Schedule are set in dollar amounts or percentages. For example, according to the HTS, the importation of salt or pure sodium chloride from Column 1 countries is 0, whereas Column 2 countries are taxed at a rate of 26%. Imports of certain types of natural sand from Column 1 countries are free, while the rate for Column 2 countries is \$1.97/t.

⁴² US International Trade Commission, Tariff Information Center (Accessed at: <http://www.usitc.gov/tata/index.htm>)

Similarly, the Export-Import Bank Act of 1945 denies “guarantees, insurance, credit or other Bank funding programs” to Marxist-Leninist countries.⁴³ Not only is the DPRK denied trade assistance from the Ex-Im Bank, but the United States also limits U.S. subsidization of foreign investment by excluding the DPRK from the Overseas Private Investment Corporation (OPIC).⁴⁴ Thus, the DPRK faces two types of hurdles to accessing the U.S. market: explicit sanctions under the Trading with the Enemy Act, and a second layer of barriers presented by a number of laws conditioning economic engagement on a variety of U.S. concerns. Even in the absence of sanctions, trade would likely remain at negligible levels, most importantly due to the imposition of high column two tariffs on DPRK imports.^{45 46}

A further restriction placed on Communist countries, passed under the Foreign Assistance Act of 1961, “denies most non-humanitarian foreign assistance to any Communist country.”⁴⁷ Although significant amounts of humanitarian aid have flowed from the United States to North Korea over the years,⁴⁸ particularly in response to famine or flooding, prohibition of non-

⁴³ Rennack, Dianne E., “North Korea: Economic Sanctions,” 9.

⁴⁴ Noland, Marcus, “US Economic Diplomacy Toward North Korea,” Op-Ed in *JoongAng Ilbo*, May 21, 2004.

⁴⁵ Noland, Marcus, “The Legal Framework of US–North Korea Trade Relations,” Op-ed in *JoongAng Ilbo*, April 27, 2004. (Accessed at: <http://www.iie.com/publications/opeds/oped.cfm?ResearchID=206>)

⁴⁶ An additional hurdle is certainly the perception of U.S. companies that the DPRK provides an inhospitable investment climate. In contrast, South Korean and Chinese companies have been investing vigorously for the last several years, although this may change. See for example Rank, Michael, “Minerals, Railways Draw China to North Korea,” (Asia Times On-Line, Nov 18, 2005, accessed at http://www.atimes.com/atimes/China_Business/GK18Cb06.html and Faiola, Anthony, “North Korea Shifts Toward Capitalism” (Washington Post, September 14, 2003, accessed at <http://www.nkeconwatch.com/2003/09/14/n-korea-shifts-towards-capitalism/>).

⁴⁷ Rennack, Dianne E., “North Korea: Economic Sanctions,” 11.

⁴⁸ U.S. government assistance (i.e. USAID) has flowed through UN programs and during a brief period through a private voluntary organization consortium. NGOs have also provided aid provided by donations from private donors. For more information, see Flake, L. Gordon, and Snyder, Scott, Eds. *Paved with Good Intentions: The NGO Experience in North Korea* (Westport, CT: Praeger, 2003) and Smith, Hazel *Hungry for Peace: International Security, Humanitarian Assistance, and Social Change in North Korea* (Washington, DC: United States Institute for Peace, 2005.)

humanitarian assistance may prove an impediment to development assistance including infrastructure rehabilitation in the future.⁴⁹

The Bush administration has not yet re-imposed economic sanctions that were eased at the time of the signing of the Agreed Framework or under Clinton in 2000, although both the Agreed Framework and North Korea's missile test moratorium have unraveled.⁵⁰ Although these relatively looser restrictions on trade and travel currently remain in place under the Bush administration, there have been other measures imposed that have constricted North Korea in new ways.

U.S. Treasury Department Actions

In March 2005, North Korea announced the end of its self-imposed missile test moratorium and proceeded with a short-range missile test in May. Perhaps because this test and a subsequent test in March 2006 were of short-range missiles only, the Bush Administration did not respond by reinstating the sanctions lifted in 2000.⁵¹ Instead, beginning in 2005, the administration, through the Treasury Department, has used the powers authorized by the U.S. Patriot Act to address both counterfeiting and non-proliferation concerns. Rather than being imposed on the DPRK government per se, these actions are directed at banks and target

⁴⁹ The North Korean Human Rights Act (P.L. 108-33, signed into law October 18, 2004) included a "sense of Congress" section that calls for conditioning the provision of U.S. non-humanitarian assistance on improvement in a number of human rights, such as freedom of movement, religion and speech.

⁵⁰ In 2002 North Korea reportedly admitted to having a uranium-based nuclear program and, in talks with the U.S. and China, indicated the possibility of testing a nuclear weapon or exporting the nuclear material. As a result of the ensuing crisis, fuel shipments being delivered to North Korea through KEDO since the negotiation of the Agreed Framework were suspended. For more information on the deterioration of U.S.-DPRK relations during this period, including the collapse of the Agreed Framework, see works such as John Feffer North Korea/South Korea, U.S. Policy in a Time of Crisis (New York: 7 Stories Press, 2003) or Michael O'Hanlon and Mike Mochizuki, Crisis on the Korean Peninsula (New York: McGraw, Hill, 2003)

⁵¹ As noted in footnote 6, the United States froze the assets of eight DPRK firms in October 2005, froze the US assets of two Swiss firm with alleged connections to DPRK's WMD program in March 2006, and issued a new OFAC regulation in April 2006. However, the administration made no public connection between its actions and North Korea's termination of its missile test moratorium, and these actions may have had less impact than a return to pre-2000 sanctions would have.

counterfeiters and “North Korean entities engaged in WMD proliferation.”⁵² This might be considered a fifth period, or “sanctions” regime, where trade and travel sanctions eased under Clinton remain as they were in 2000, but new financial restrictions on banks have affected North Korea’s ability to do business.

In September 2005, under Article 311 of the Patriot Act,⁵³ the U.S. Department of Treasury designated Banco Delta Asia (BDA), a bank in Macau at which North Korean entities maintained accounts, as a “primary money laundering concern” and proposed rules restricting U.S. financial institutions from engaging in financial transactions with it.⁵⁴ Some U.S. officials believe a number of the accounts belong to members of North Korea’s ruling elite.⁵⁵ The Treasury Department’s designation resulted in a run on BDA by account holders; consequently, the Bank of Macau assumed control of BDA and impounded the North Korean accounts. The U.S. Department of Treasury has stated that the BDA designation is “not a sanction,”⁵⁶ perhaps because it targets banks rather than countries or companies. Regardless, the DPRK calls the designation a sanction, perhaps because of its impact. Although a Justice Department investigation is still under way and the proposed rules have not been implemented, the ripple

⁵²According to Stuart Levy, this includes Tanchon Bank “The primary financial facilitator of North Korea’s ballistic missile program.” Levy, Stuart, Testimony of Stuart Levey, Under Secretary Terrorism and Financial Intelligence U.S. Department of the Treasury Senate Appropriations Subcommittee on Transportation, Treasury, the Judiciary Housing and Urban Development, and Related Agencies, April “<http://www.treasury.gov/press/releases/js4163.htm>

⁵³ Section 311 of the Patriot Act has been codified as 31 USC 5381A, and the Department of Treasury actions take place under that code.

⁵⁴ Some analysts, noting that the timing of the most significant action (Banco Delta Asia) shadowed progress in negotiations, have concluded that the Treasury actions demonstrate a continuing mistrust of the diplomatic process, on the part of some members of the administration, or at least their hope that North Korea can be forced to collapse. See for example, Schoff, Jim, and Building Multi-Party Capacity for a WMD-Free Korean Peninsula, Multilateral Workshop Summary and Project Report (Institute for Foreign Policy Analysis, August 2006, 37-38 (Accessed at <http://www.ifpa.org/pdf/BuildMPC.pdf>), Mihm, Stephen, “No Ordinary Counterfeit,” New York Times Magazine: New York, July 23, 2006. (Accessed at: <http://www.nytimes.com/2006/07/23/magazine/23counterfeit.html?ei=5088&en=1532e77e2eabea37&ex=1311307200&partner=rssnyt&emc=rss&pagewanted=all>) and Fifield, Anna, “Bankers Challenge US Sanctions on North Korea,” Financial Times, September 5, 2006. (Accessed at: <http://www.ft.com/cms/s/711e49e8-3c3e-11db-9c97-0000779e2340.html>). The administration maintains that the actions are independent.

⁵⁵ Mihm, Stephen, “No Ordinary Counterfeit,” New York Times Magazine: New York, July 23, 2006.

⁵⁶ “Treasury Briefs North Korea on U.S. Financial System Protections: Regulatory Action on Macau Bank Not a Sanction,” March 7, 2006, accessed at <http://usinfo.state.gov/eap/Archive/2006/Mar/08-685510.html>,

effect has already made it challenging for the DPRK to find banking institutions that will handle its international transactions and some \$24 million in North Korean assets remains frozen in Macau.

U.S. officials have presented records of the involvement of North Koreans in counterfeiting, money laundering, and narcotics trafficking.⁵⁷ Citing such offences, Stuart Levey, Undersecretary for Terrorism and Financial Intelligence at the Treasury Department, stated in September 2006 that “the line between illicit and licit North Korean money is nearly invisible” and urged financial institutions worldwide “to think carefully about the risks of doing any North Korea-related business.”⁵⁸ Rejecting the concept that there is no legitimate business in the DPRK, Nigel Cowie has argued that the BDA action curtailed legal business activities, driving North Korean businesses to engage in illegitimate practices.^{59 60}

Also in September 2005, the United States sanctioned two North Korean companies accused of assisting proliferation activities in Iran. The new sanctions prohibit U.S. government

⁵⁷ At an April 25, 2006 hearing of the Subcommittee on Federal Financial Management, Government Information, and International Security, of the U.S. Senate Committee on Homeland Security and Governmental Affairs Michael Merrit, Deputy Assistant Director, Office of Investigations U.S. Secret Service, testified regarding “supernotes” believed to originate from the DPRK. See Testimony of Michael Merrit, accessed at http://hsgac.senate.gov/_files/042506Merritt.pdf. For more information regarding North Korean illicit activities see Chapter 3 (pages 117-133) in Marcus Noland’s *Avoiding the Apocalypse: The Future of the Two Koreas*, Institute for International Economics: Washington D.C., June 2000.

⁵⁸ Levey, Stuart, Prepared Remarks.

⁵⁹ Cowie, Nigel “The US Financial Allegations: What they Mean” Nautilus Institute, Policy Forum Online 06-35A: May 4th, 2006. (Accessed at <http://www.nautilus.org/fora/security/0635Cowie.html>). Cowie says “There is a danger of legitimate businesses being squeezed into routes that are more normally used by real criminals, and the result of these actions against banks doing business with the DPRK being that criminal activities go underground and harder to trace, and legitimate businesses either give up, or end up appearing suspicious by being forced to use clandestine methods.”

⁶⁰ Despite U.S. statements that the nuclear talks and the Treasury Department’s actions to protect U.S. currency are independent and unrelated, the DPRK has conflated the two by making amelioration of “economic sanctions,” in which it includes the Treasury Department’s Banco Delta Asia designation with its sanction-like impact, a precondition of their return to the Six-Party Talks. Thus far, the United States has not made public whether or not it has had any substantive discussion with the DPRK regarding North Korean actions that could result in a lifting or altering of the designation. Instead, as noted above, the administration has effectively labeled all North Korean financial transactions “illicit” and urged financial institutions worldwide about the possible implications of doing business with North Korea. Whether the financial squeeze that the United States and other countries are promoting had a positive effect, or whether it was interpreted in North Korea as evidence that it had nothing to gain by continuing Six-Party dialogue and nothing more to lose by pursuing a nuclear weapons program, will likely be debated in the years to come.

agencies from buying or selling military equipment, services or technology from or to the companies or their subsidiaries. Because the United States has already identified both companies, (Korean Mining and Industrial Development Corporation (KOMID) and Korea Pugang Trading Corporation), as WMD proliferators, and had previously frozen assets of the companies that were under U.S. jurisdiction, the measures appeared to be mostly symbolic.⁶¹ In March 2006 the Treasury Department announced a probation on transactions between any U.S. person and a Swiss company, Kohas AG, and its owner, Jakob Steiger for allegedly doing business with Korea Ryonbong General Corporation, another blacklisted company.⁶² The Treasury Department action also froze any of their assets under U.S. jurisdiction. Then, in April 2006, a new OFAC regulation prohibited as of May 8 “US persons from owning, leasing, operating or insuring any vessel flagged by North Korea.”⁶³ It remains difficult to determine the intended DPRK activities or U.S. persons targeted by this regulation.

Meanwhile, Congress responded to the missile test with the “North Korea Non-Proliferation Act of 2006,” which “urges all governments to comply promptly with United Nations Security Council Resolution 1695 and to impose measures on persons involved in such proliferation that are similar to those imposed by the United States Government pursuant to the Iran, North Korea, and Syria Nonproliferation Act (Public Law 106-178; 50 U.S.C. 1701 note), as amended by this Act.”⁶⁴ The act was introduced and passed in the Senate in July, passed in the House in September and signed by the president on October 13, 2006.

⁶¹ Chosun Ilbo, “U.S. Slaps Sanctions on Two North Korean Firms,” Chosun Ilbo, August 7, 2006. (Accessed at: <http://english.chosun.com/w21data/html/news/200608/200608070008.html>)

⁶² United States Treasury, “Swiss Company, Individual Designated by Treasury for Supporting North Korean WMD Proliferation,” Press Release, United States Treasury: Washington, D.C., March 30, 2006.

⁶³ OFAC’s “What you Need to Know about Sanctions: North Korea,” accessed at <http://www.treasury.gov/offices/enforcement/ofac/programs/nkorea/nkorea.pdf>

⁶⁴ S. 3728 (109th Congress), “The North Korea Non-Proliferation Act of 2006,” became Public Law No: 109-353.

UN Actions Against the DPRK

UN Resolution 1718

As mentioned above, as soon as the DPRK announced that it intended a nuclear test, the UN responded with a President's Statement warning against such an action. Thus, when the DPRK tested shortly after the Statement was issued, the Security Council was primed to act relatively quickly if not entirely in unison. UN Resolution 1718 (2006) is the strongest reprimand the Security Council has adopted against North Korea since the Korean War. Invoking Chapter VII⁶⁵, and in a combination of punitive and preventive measures, the resolution "demands" that

- The DPRK return to the Nuclear Non-Proliferation Treaty and conduct no further nuclear tests nor launch any ballistic missiles,

and "decides" that

- The DPRK shall suspend its ballistic missile program, reinstate its missile launch moratorium and abandon its nuclear weapons program,
- All Member States shall prevent the direct or indirect supply to the DPRK of heavy military equipment (such as tanks, missile systems, etc), items and materials listed in certain UN documents as dual-use goods, and luxury goods,
- The DPRK shall "cease the export of" heavy military equipment and dual-use items,
- All Member States shall freeze funds and financial assets owned or controlled by "persons or entities designated by the Committee or Security Council as being engaged in providing support for" the DPRK's WMD programs or "by persons or entities acting on their behalf or direction," and ensure that funds are not "made available" to such persons, while specifically excluding financial resources deemed necessary by States for "basic expenses" including food, insurance, etc.,

⁶⁵ Chapter VII of the United Nations Charter gives the Security Council authority to determine the existence of a threat to, or breach of, peace and to call upon Member States to apply economic or diplomatic sanctions on countries in order to restore international peace and security. This authority, however, apparently comes with a great deal of built-in flexibility, as Article 48 also states that actions decided on by the Security Council "shall be taken by all the Members of the United Nations or by some of them, as the Security Council may determine." In addition to the use of sanctions, Article 42 of Chapter VII of the UN Charter authorizes military action by the Security Council, should it determine that sanctions would be, or have proved to be, inadequate. Article 42 was not included in Resolution 1718, although it was reported that the U.S. and Japan pushed for its inclusion.

- All Member States shall prevent North Koreans engaged in WMD development from entering their territories, although this measure does not apply to travel “justified on the grounds of humanitarian need, including religious obligations,” (the Committee must review this exemption on a case-by-case basis),
- All Member States shall engage in “cooperative action including the inspection of cargo to and from the DPRK as necessary,”
- And “calls on” the DPRK to return to the Six Party Talks and work towards implementation of the September 19, 2005 Joint Statement.⁶⁶

The resolution also mandates the establishment of a Committee of the Security Council to ascertain that Member States are implementing the provisions of the resolution and review exemptions for travel, etc.^{67 68}

The DPRK’s reaction was similar to past UN actions. Ambassador Pak Gil Yon called the resolution “gangster-like,” and an example of the UN’s partiality,⁶⁹ and later said that the sanctions were an act of war.⁷⁰

But within the Security Council, there was discord. Although the resolution was unanimously adopted, it only temporarily postponed negotiation over remaining differences

⁶⁶United Nations Security Council, Resolution 1718, S/Res/1718 (2006). October 14, 2006. (Accessed at <http://daccessdds.un.org/doc/UNDOC/GEN/N06/572/07/PDF/N0657207.pdf?OpenElement>.)

⁶⁷UN resolutions that include a call for Member States to implement sanctions are occasionally accompanied by the creation of a special committee that monitors and oversees members’ compliance with the measures of the resolution, as mandated by 1718, and as was the case in resolutions calling for international sanctions adopted by the Council against countries such as Somalia, Rwanda, Sierra Leone, Liberia, the Democratic Republic of the Congo, Cote D’Ivoire, and the Sudan, UN Security Council Website, “Security Council Sanctions Committees: An Overview.” (Accessed at: <http://www.un.org/Docs/sc/committees/INTRO.htm>)

⁶⁸The reference to Chapter VII of the UN Charter does not appear in all Resolutions, but does appear in the Resolutions that established sanctions committees concerning situations in Rwanda (Resolution 918 in 1994), Sierra Leone (Resolution 1132 in 1997), Liberia (Resolution 1521 in 2003), DRC (Resolution 1533 in 2004), Cote d’Ivoire (Resolution 1572 in 2004), and the Sudan (Resolution 1591 in 2005).

⁶⁹“Security Council Condemns Nuclear Test by Democratic People’s Republic of Korea, Unanimously Adopting Resolution 1718 (2006), UN Press Release SC/8853.” (Accessed at <http://www.un.org/News/Press/docs//2006/sc8853.doc.htm>.)

⁷⁰BBC News, “N. Korea says Sanctions are War”, October 17, 2006. (Accessed at <http://news.bbc.co.uk/2/hi/asia-pacific/6057718.stm>.)

among Security Council members that are evident both in the resolution and in the statements issued as the resolution was announced.⁷¹

For example, within the resolution, the section referring to dual-use goods references two possible lists for inclusion, “unless within 14 days of the adoption of this resolution the Committee has amended or completed provisions” taking into account a third list. Regardless of how the debate is settled, Ambassador Cesar Mayoral from Argentina indicated that “Argentina did not intend to legislate the control of material for dual use.”⁷²

Ambassadors from four out of five Permanent Members of the Security Council (France, China, the United Kingdom and Russia) stressed that if the DPRK complies with the provisions of the resolution, the sanctions would be lifted.⁷³ Ambassadors of all five Permanent Members, particularly Ambassador Wang Guangya from China, endorsed the Six Party Talks as still viable, and Ambassador Emyr Jones Parry from the United Kingdom seemed to indicate that DPRK participation in the Six Party Talks would be sufficient compliance to end the sanctions.

The UN press release reported that Ambassador Wang was adamant that China “opposed the use of force,” referencing publicly the debate that had gone on during the negotiations over including Chapter VII Article 42, which would have authorized the use of force. China might

⁷¹ In general, the Security Council tries to speak with one voice and members strive for politeness. However, when the issue or resolution is contentious, these statements will often contain each country’s interpretation or viewpoint in the hope that their view will prevail as the resolution is implemented. This was certainly the case with the resolutions leading to war with Iraq. (Personal communication, James Paul, October 17, 2006.)

⁷² “Security Council Condemns Nuclear Test by Democratic People’s Republic of Korea,” op. cited. It could be that Section 8(a)(ii) regarding which “dual use” list is used and Ambassador Mayoral’s comment are not DPRK-specific. Instead they may be in reference to the larger debate over the scope of what constitutes “dual use,” an argument that came into sharp focus during the sanctions regime against Iraq, when pencils were famously stopped at the border because graphite can be used in weapons production. (Personal communication, James Paul, October 17, 2006.) See Phyllis Bennis, “Some Questions and Answers on the Iraq Crisis,” December 18, 1998, (accessed at <http://www.globalpolicy.org/security/issues/irq12-10.htm>.) and Global Policy Forum, “Iraq Sanctions: Humanitarian Implications and Options for the Future,” August 6, 2002, (accessed at <http://www.globalpolicy.org/security/sanction/iraq1/2002/paper.htm>).

⁷³ While the statement of U.S. Ambassador John Bolton also mentioned that sanctions would be lifted if the DPRK complied with the resolution, the tone was somewhat different, since the comment was immediately followed by an outline of further measures to be taken within the UN if the DPRK did not comply.

have won the Article 42 debate; however it acquiesced, if grudgingly, to cargo inspections. Ambassador Wang's statement announced that China "did not approve of the practice of inspecting cargo to and from the DPRK," and underscored China's "reservations" about those provisions in the resolution.

Russian Ambassador Vitaly I. Churkin mentioned several reservations as well; the statement reports his reflections on the "tense negotiations," "concern over humanitarian consequences of strict measures," and the Russian Federation's opinion that sanctions should not "go on indefinitely." In what seems to be direct criticism of Japan and the United States, his statement "emphasized that sanctions unilaterally adopted by States did not facilitate resolution of such problems, when the Council was working on joint approaches."

At the same time, the statement reports that U.S. Ambassador Bolton stated that 1718 would "target the way Kim Jong Il financed his related weapons programmes, including through *money-laundering, counterfeiting and selling narcotics*"⁷⁴ and that "Member States were bound to take action against those activities and freeze the assets of involved entities and individuals of the DPRK," although the resolution does not refer to DPRK engagement in these activities. Comments from Council President Kenzo Oshima (from Japan) include a mention of the Japanese abductees, an issue of primary importance to Japan not mentioned in the resolution.

How these differences are brokered as the resolution is implemented will unfold in the days to come. The United States is pushing hard for a strict interpretation, as evidenced by Secretary Rice's comments to the press prior to a post-resolution trip to Asia: "As North Korea scorns the international community, we will collectively isolate North Korea from the benefits of

⁷⁴ Emphasis not in the original.

participation in that community.”⁷⁵ Yet Secretary Rice has also told reporters that “The United States has no desire to escalate this crisis. We would like to see it de-escalate.”⁷⁶ The two statements may prove difficult to reconcile, at least in the short term. Since the resolution does not seek to “isolate North Korea from the benefits” of the international community, (with the notable exception of luxury goods, WMD-related programs, and heavy military equipment), this is likely to be one area of considerable friction in which U.S. criteria for implementing Resolution 1718 differs from Member States in the region.

Background: UN Actions Since the Korean War

Since the Korean War, the Security Council has employed two types of action against the DPRK: president’s statements and resolutions. The Security Council has issued a total of six president’s statements and the Council has adopted two resolutions against North Korea since the end war. Statements by the Council president are generally recognized to be less forceful actions than resolutions, often characterized as “a slap on the hand” by those in favor of more stern responses.

In April 1993, the Council issued its first president’s statement after IAEA inspectors reported findings that raised concerns about whether North Korea was abiding by its commitments under the Nuclear Non-Proliferation Treaty (NPT), to which the had DPRK acceded in 1985. The DPRK responded by announcing its intention to withdraw from the NPT. A month later the Council adopted Resolution 825, calling on the DPRK to “honor its non-

⁷⁵ Secretary Condoleezza Rice, “Briefing of Upcoming Trip to Asia,” October 17, 2006. (Accessed at <http://www.state.gov/secretary/rm/2006/74047.htm>.)

⁷⁶ Ann Gearan, “Rice Says US Ready to Defend Japan,” The Houston Chronicle, October 18, 2006. (Accessed at <http://www.chron.com/disp/story.mpl/ap/world/4269014.html>.)

proliferation obligations under the Treaty.”⁷⁷ It urged Member States “to encourage the DPRK to respond positively,” but it did not call on members to implement any measures against North Korea. One month after the resolution’s adoption, North Korea announced its decision to “suspend as long as it considers necessary the effectuation of its withdrawal” from the NPT.⁷⁸

During the following year, the Council issued three president’s statements⁷⁹ concerning the DPRK’s nuclear program and its compliance with IAEA safeguards. The statements, issued in March, May, and November, recognized each of the DPRK’s steps toward compliance, and urged it to take the next step. The November statement noted the Agreed Framework which the U.S. and DPRK had successfully negotiated and acknowledged North Korea’s decision to comply with IAEA safeguards.⁸⁰ The November statement also acknowledged North Korea’s decision to freeze its graphite-moderated reactors as part of the Agreed Framework—a measure that the DPRK undertook voluntarily even though the IAEA-DPRK Safeguards Agreement did not require it. The three 1994 statements essentially relayed a single message, perhaps the only one on which Council Members could agree: the desire for a denuclearized Korean peninsula. Beyond this, it appeared that Council members were unwilling or unable to come to agreement on what the DPRK should be compelled to do, if anything, and how other member countries should be involved.⁸¹ Following the 1994 statements, the Council remained officially silent on DPRK nuclear issues, until the adoption of Resolution 1695.⁸²

⁷⁷ United Nations Security Council, Resolution 825, S/RES/825 (1993), May 11, 1993.

(Accessed at: <http://daccessdds.un.org/doc/UNDOC/GEN/N93/280/49/IMG/N9328049.pdf?OpenElement>)

⁷⁸ “Joint Statement of the Democratic People’s Republic of Korea and the United States of America,” New York, June 11, 1993. (Accessed at: <http://www.armscontrol.org/factsheets/1993NKagreement.asp>)

⁷⁹ Statements by the President of the United Nations Security Council in 1994 concerning North Korea can be viewed at: <http://www.un.org/docs/sc/statements/1994/sprst94.htm>

⁸⁰ Although the U.S. consulted with Japan and South Korea, and they and other nations ultimately became members of KEDO, the negotiations were bilateral.

⁸¹ Of course this situation of deadlock within the Security Council is not unique to issues involving the DPRK.

⁸² A further UNSC president’s statement regarding North Korea was issued in 1996, but this did not refer to the DPRK’s nuclear aspirations. Instead, it addressed the North Korean spy submarine incursion in South Korean waters

UN Resolution 1695

Until Resolution 1718 was passed, Resolution 1695 represented the strongest reprimand the Security Council had adopted against North Korea since 1950.⁸³ Resolution 1695 “condemns the multiple launches by the DPRK of ballistic missiles... demands that the DPRK suspend all activities related to its ballistic missile program” and “strongly urges the DPRK to return immediately to the Six-Party Talks without precondition.”⁸⁴

Although it did not use the term sanction in its text, Resolution 1695 outlines measures required of all Member States, which appear to be in line with what the UN describes as targeted sanctions.⁸⁵ The resolution requires all UN Member States to take measures to combat missile proliferation by preventing the following:

- transfer of “missile and missile-related items, materials, goods and technology” to the DPRK,
- procurement of “missile and missile-related items, materials, goods and technology” from the DPRK, and
- transfer of “financial resources in relation to DPRK’s missile or WMD programmes.”⁸⁶

The resolution also urges the DPRK to show restraint in its actions and to return to the Six-Party Talks. However, although the resolution includes the Security Council’s first sanctions

in September of that year. The DPRK issued an apology expressing “deep regret” over the incident three months later.

⁸³ Three 1950 UN Resolutions regarding “Complaint of aggression against North Korea” and authorizing UN member involvement in the war (Resolution 82 (25 Jun), Resolution 83 (27 Jun), and Resolution 84 (7 Jul), are of course the most severe UN condemnations of the DPRK to date.

⁸⁴ United Nations Security Council, Resolution 1695, S/RES/1695 (2006), July 15, 2006. (Accessed at: <http://daccessdds.un.org/doc/UNDOC/GEN/N06/431/64/PDF/N0643164.pdf?OpenElement>.) The UN website describes Security Council efforts to respond to growing concern about the efficacy of economic sanctions and the individuals (often women and children) that truly suffer from the imposition of mandatory sanctions. “Targeted” or “smart” sanctions, according to the UN, are a reflection of “a more refined approach to the design, application and implementation of mandatory sanctions” and can involve actions such as “freezing of assets and blocking financial transactions of political elites or entities whose behavior triggered sanctions in the first place.” (“Security Council Sanctions Committees: An Overview,” Accessed at: <http://www.un.org/Docs/sc/committees/INTRO.htm>)

⁸⁵

⁸⁶ United Nations Security Council, Resolution 1695, S/RES/1695 (2006), July 15, 2006. (Accessed at: <http://daccessdds.un.org/doc/UNDOC/GEN/N06/431/64/PDF/N0643164.pdf?OpenElement>)

against North Korea, it does not call for the establishment of an oversight committee.⁸⁷ Thus, although its measures are mandatory, the Resolution lacks a mechanism to ensure compliance. It also lacks reference to Chapter VII, which had appeared in Japan's first draft of the resolution but was later removed, reportedly under PRC pressure.

Measures are to be implemented by Member States, "in accordance with their national legal authorities and legislation and consistent with international law," leaving room for interpretation. For example, according to James Cotton, South Korea had determined that their suspension of food and fertilizer aid met the resolution's requirements.⁸⁸ China might have chosen to use what Cotton calls the resolution's "escape hatch" to avoid implementing additional punitive measures, although the nuclear test and a new resolution may yield different results.

The different interpretations of Resolution 1695 are not surprising because the resolution itself reflects a compromise, balancing the draft resolution submitted by Japan and supported by the United States, with the draft president's statement submitted by China after the July 5 missile launches. Rather than viewing Resolution 1695 as "without teeth," perhaps a more accurate position might be recognition of China and Russia's choice to support a definite and adamant stance against North Korea's proliferation activities. The resolution's significance comes from the apparent readiness for compromise demonstrated by the five permanent Security Council members. UN Resolution 1695 was therefore somewhat of an initial turning point, paving the way for UN Resolution 1718.

⁸⁷ As noted above, UN resolutions that include a call for Member States to implement sanctions are occasionally accompanied by the creation of a special committee that monitors and oversees members' compliance with the measures of the resolution, as mandated by 1718. UN Security Council Website, "Security Council Sanctions Committees: An Overview." (Accessed at: <http://www.un.org/Docs/sc/committees/INTRO.htm>)

⁸⁸ Cotton, James, "Missiles and Sanctions: Has a Watershed Been reached in the Korean Nuclear Crisis?" Nautilus Institute: San Francisco, Policy Forum Online 06-75A, September 13, 2006. (Accessed at: <http://www.nautilus.org/fora/security/0675Cotton.html>) Despite this suspension, the ROK sent a scheduled shipment in the days immediately following the missile launches and proceeded to resume shipments on a limited scale following recent flooding.

The coordination and cooperation involved in agreeing to Resolution 1695 may have contributed to the speed with which the Security Council was able to respond to North Korea's October 3 announcement of a possible future nuclear test.⁸⁹ Three days later the UNSC issued UN Presidential Statement S/PRST/2006/41, warning that if a test is conducted, the UN "will act consistent with its responsibility under the Charter of the United Nations," perhaps alluding to its authority under Chapter VII, eventually invoked in 1718.⁹⁰

Other Unilateral Sanctions Against the DPRK

Japan and Australia

Japan responded quickly to North Korea's announcement of a nuclear test, announcing new sanctions on October 11, 2006 that were implemented on October 13, prior to the adoption of UN Resolution 1718.⁹¹ The new sanctions go far beyond the UN resolution, and include forbidding North Korean vessels to enter Japanese ports, prohibition of the import of all items from the DPRK to Japan, and a six-month "denial, in principle, of entry by DPRK nationals into Japanese territory."⁹² Australia also closed its ports to DPRK ships in response to 1718.⁹³

Japan's strict sanctions expanded on its already significant response to the July missile test launch. Before UN Resolution 1695 was adopted, Japan renewed a ban on the Wonson–Nigata ferry, the *Mangyongbong-92*, (this time for six months) and halted charter flights from

⁸⁹ "DPRK Foreign Ministry Clarifies Stand on New Measures to Bolster War Deterrent." (Accessed at <http://www.kcna.co.jp/index-e.htm>; look at the articles for October 4).

⁹⁰ United Nations Security Council, Statement by the President of the Security Council, S/PRST/2006/41, October 6, 2006. (Accessed at <http://www.un.org/News/Press/docs/2006/sc8849.doc.htm> or <http://daccessdds.un.org/doc/UNDOC/GEN/N06/557/05/PDF/N0655705.pdf?OpenElement>). The fact that Japan had just assumed its one month presidency of the Security Council may have influenced the speed with which the Statement was announced.

⁹¹ "Security Council Condemns Nuclear Test by Democratic People's Republic of Korea," op. cited.

⁹² Ibid.

⁹³ BBC, "Australia to Ban North Korean Ships," October 16, 2006. (Accessed at <http://news.bbc.co.uk/1/hi/world/asia-pacific/6054186.stm>.)

Pyongyang.⁹⁴ The suspension of the *Mangyongbong-92* not only temporarily shuts down trade and travel facilitated by the ship, but also tightens restrictions on the *Chosen Soren*, an organization of ethnic Koreans living in Japan with close ties to North Korea.⁹⁵

On September 19, 2006, over two months after Resolution 1695 was passed, Japan and Australia announced the imposition of financial sanctions similar to those currently being implemented by the U.S. Treasury Department.⁹⁶ Japan added fifteen entities to its Export Control List, which already listed 58 North Korean entities as of April 2006, targeting parties suspected of involvement in the North's nuclear weapons or missile programs.⁹⁷ Shinzo Abe, Prime Minister-Elect at the time, announced that Japan's new sanctions require Japanese financial institutions to block any transactions by the fifteen specified companies and one individual. Australia announced similar measures, blocking the transactions of twelve companies and one individual.⁹⁸ The list of sanctioned companies includes Kohas⁹⁹, Korea Kwangsong Trading, Korea Mining Development Trading, Tanchon Commercial Bank and Korea Ryonbong General¹⁰⁰—companies that are also among those that the United States has targeted. In addition to the twelve companies targeted by the United States, Japan's sanctions also target three other

⁹⁴ BBC News, "New Sanctions Target North Korea," BBC News: London, September 19, 2006. (Accessed at: <http://news.bbc.co.uk/2/hi/asia-pacific/5358660.stm>)

⁹⁵ Schoff, James, "Political Fences & Bad Neighbors: North Korea Policy Making in Japan & Implications for the United States," Institute for Foreign Policy Analysis: Cambridge, MA, June 2006, 2. (Accessed at: <http://www.ifpa.org/projects/SRF-Japan-DPRK.htm>) Although the organization, which Schoff calls "North Korea's de-facto embassy in Tokyo," has lost much of the influence it once had, it has facilitated trade and transferred remittances between the two countries for decades and the ferry has served as a physical link between the organization and North Korea.

⁹⁶ September 19, 2006 was the one year anniversary of the "September statement," in which the six parties had agreed to a framework for ending North Korea's nuclear weapons program and providing North Korea with security guarantees and energy assistance. The fact that Australia and Japan issued their sanctions on the same day was deemed significant in Japan, where it was reported on extensively by the press. Frank Jannuzi, personal communication, September 27, 2006.

⁹⁷ The Japan Times, "Japan Adds 20 N. Korean, 4 Iranian Firms to Export Control List," April 4, 2006. (Accessed at <http://search.japantimes.co.jp/cgi-bin/nn20060405a7.html>)

⁹⁸ BBC News, "New Sanctions Target North Korea," September 19, 2006.

⁹⁹ Kohas president, Jakob Steiger, has also been sanctioned by Japanese and Australian authorities. Both the company and Steiger were sanctioned by the U.S. Department of Treasury in March 2006.

¹⁰⁰ Choe, Sang-Hun, "Australia and Japan put penalties on North Korea," International Herald Tribune, September 19, 2006. (Accessed at: <http://www.iht.com/articles/2006/09/19/business/nkorea.php>)

companies, Korea Tonghae Shipping Company, Pyongyang Infomatics Center, and Ponghwa Hospital, according to statements made by Foreign Ministry Press Secretary Tomohiko Taniguchi.^{101 102}

Japan also introduced a “set of measures for prevention of the transfer of financial resources to the DPRK,” on September 19.¹⁰³ Details about these measures have not been disseminated in the United States. One possibility might be ending personal remittances sent by Japanese Koreans to their relatives in North Korea – a move that has yet to be announced, even with the nuclear test.¹⁰⁴

For Japan, these actions continue a trend toward limiting DPRK trade and access to Japanese resources that began at the least as far back as the North Korean missile launch in 1998, when the Japanese government temporarily blocked the entry of the *Mangyongbong*.¹⁰⁵ The ferry’s current six-month ban was preceded by an intensification of monitoring that led to a seven-month ban in 2003 and only one trip during January through April 2006.¹⁰⁶

North Korean trade with Japan has been significantly curtailed since 2001 due to worsening bilateral relations, Japan’s tightening of export controls and customs regulations and citizen boycotts of North Korean products.¹⁰⁷ In 2003 the Japanese government reinforced export controls on dual-use goods to North Korea and also tightened border security to stop illegal contraband from North Korea from entering the country. Over 70% of North Korean ships were

¹⁰¹ Press Conference with Tomohiko Taniguchi, Ministry of Foreign Affairs: Japan. September 19, 2006. (Accessed at: <http://www.mofa.go.jp/announce/press/2006/9/0919.html>)

¹⁰² C. Kenneth Quinones believes that that the sanctions, rather than breaking new ground in response to 1695 are “consistent with the Proliferation Security Initiative (PSI).” Quinones believes that their main impact will be to motivate Japanese Maritime and Customs agencies to work harder to uncover illegal Japanese exports of controlled technology to the DPRK. Personal communication, September 28, 2006.

¹⁰³ Shima, Kenzo, Address to the United Nations, September 26, 2006) (Accessed at <http://www.mofa.go.jp/announce/speech/un2006/un0609.html>).

¹⁰⁴ Frank Jannuzi, Personal Communication, September 27, 2006.

¹⁰⁵ The weekly ferry is the primary means of travel for *Chosen Soren* (pro-DPRK Koreans in Japan residents’ association) between the two nations. Quinones, C. Kenneth, Personal communication, September 27, 2006.

¹⁰⁶ Schoff, James, “Political Fences,” 2.

¹⁰⁷ *Ibid*, 18.

cited between January and August of that year.¹⁰⁸ In 2005 a Japanese law preventing all foreign ships with inadequate insurance from docking at Japanese ports further limited, though did not entirely ban, North Korean trade with, and shipping to and from, Japan.¹⁰⁹ The new shipping regulations combined with a grassroots boycott of North Korean clams promoted by the National Association for the Rescue of Japanese Kidnapped by North Korea, resulted in a drop in the import of mollusks from North Korea from 2004 to 2005 of 50%.¹¹⁰

The boycott of mollusks is just one sign of strong Japanese support for more sanctions against North Korea during times of bilateral tension. Over 70% of survey respondents thought that Japan “should consider economic sanctions as part of a tougher negotiating stance,” according to a 2004 poll conducted by *Nikkei Shinbun*.¹¹¹ In February 2005, a petition calling for sanctions against North Korea was signed by five million citizens.¹¹² The Japanese legislature also got involved: a human rights bill authorizing the government to impose economic sanctions “when recognizing that there were no improvements in the abduction issue and other North Korean human rights abuses against the Japanese,” was introduced in the Diet in April 2006 and became law in September 2006.¹¹³ In addition, Japan’s Ministry of Foreign Affairs (MOFA) has complied with U.S. recommendations on Banco Delta Asia in Macau.¹¹⁴ On September 20,

¹⁰⁸ Manyin, Mark, “Japan-North Korea Relations: Selected Issues,” Report for Congress, Congressional Research Service, The Library of Congress, November 26, 2003, 5. (Accessed at: <http://fpc.state.gov/documents/organization/27531.pdf#search=%22Japan-North%20Korea%20Relations%3A%20Selected%20Issues%22>)

¹⁰⁹ James Schoff indicates that, although a *de facto* ban might have been imagined by the law’s authors, due to the size of the vessels affected by the ban and the unexpectedly high number of DPRK ships covered by insurance, 90 North Korean ships received certificates to enter Japanese ports in the first 8 months the law was in effect. Personal communication, October 2, 2006.

¹¹⁰ Schoff, James, “Political Fences,” 7. The deficit in trade with Japan, however, has reportedly been offset by increasing trade with China and the ROK, casting doubts on the how effective additional Japanese economic sanctions could actually be, if imposed.

¹¹¹ International Crisis Group, “Japan and North Korea: Bones of Contention,” Asia Report No. 100, June 27, 2005.

¹¹² Karasaki, Taro, “5 million signatures in call for sanctions,” *Asahi Shimbun* accessed at <http://www.asahi.com/english/nation/TKY200502090145.html>, as cited in Schoff, “Political Fences,” 19.

¹¹³ *Ibid*, 19.

¹¹⁴ *Ibid*, 19.

Shinzo Abe replaced Koizumi, as leader of the ruling Liberal Democratic Party; it is anticipated that Tokyo's policy on North Korea will become more focused on pressure rather than dialogue.

China and the Republic of Korea

In contrast to the clear government support of UN Resolution 1718 evidenced by Japan and Australia, South Korean and Chinese responses are expected to be less extensive, in line with their more muted responses to UN Resolution 1695. Although both South Korea and Japan had responded to North Korea's July missile test launches before UN Resolution 1695 was adopted, the scale of their responses was quite different -- South Korea announced only that it would suspend further fertilizer and humanitarian assistance.¹¹⁵ After UN Resolution 1695 was adopted, both South Korea and China indicated that they did not view pursuit of extraordinary measures as necessary for compliance, and South Korea warned that hard-line attempts to block North Korean access to hard currency might push the country's ruling elite into a corner.¹¹⁶

The ROK initially seemed to take the nuclear test much more seriously than it did the missile test. ROK aid has once again been suspended, and the government issued a strong statement:

The act by the North (DPRK) has deserted the principle of the Sept. 19 joint statement of the countries engaged in the six-party talks. It is also an unpardonable provocation that challenged the UN Security Council's resolution 1695 adopted on July 15. It also nullified the 1991 Joint Declaration on the Denuclearization of the Korean Peninsula. We make it clear again that the North (DPRK) will be responsible for all inter-Korean issues that follow hereafter."¹¹⁷

However, despite the rhetoric, at this point the ROK has yet to take extraordinary measures. It appears that South Korea will continue two joint economic projects with the DPRK, Gaeseong

¹¹⁵ As noted above, despite the ROK's announcement, it sent one assistance shipment already scheduled before the DPRK's missile launch, and it has provided emergency assistance after intensive flooding in the DPRK.

¹¹⁶ BBC News, "New Sanctions Target North Korea," September 19, 2006.

¹¹⁷ China View "South Korea Denounces North Korea Nuclear Test," October 9, 2006. (Accessed at: http://news.xinhuanet.com/english/2006-10/09/content_5180667.htm)

Industrial Complex¹¹⁸ and the tourist site Mount Guemgang, albeit with some modifications. According to newspaper reports, U.S. Assistant Secretary of State Chris Hill acknowledged that Gaeseong could be considered a “reform” project, but critiqued Mount Guemgang as no more than way to give money to the DPRK.¹¹⁹ However, Song Min-soon, President Roh Moo-hyun’s chief security adviser has stated “The government has never said we will suspend inter-Korean economic cooperation or Gaeseong Industrial complex or even the Mount Geumgang tour project.”¹²⁰ Instead, the programs will be “adjusted.” There are not yet indications that a radical shift in ROK government policy will take place, but this may change. It is unlikely that the ROK would take any measures to that would force North Korea’s collapse.

Despite an overt reluctance to chastise the DPRK according to U.S. or Japanese standards, China’s stance toward the DPRK has appeared to harden. China not only adopted the strongly worded UN Resolution 1695, but also had earlier allowed North Korean assets to be frozen in Macau, one of the PRC’s two Special Administrative Regions -- despite North Korea’s refusal to return to the Six-Party Talks unless U.S. financial sanctions are lifted. China’s stance seems to have hardened further with the nuclear test. The Foreign Ministry issued a statement calling the test “brazen” and saying that it “resolutely opposed the test.”¹²¹ Yet, as noted above, China

¹¹⁸ Even before the nuclear test, Gaeseong Industrial Park was a symbol of the differences between the U.S. and ROK approaches. The ROK has invested million of dollars in the site in an attempt to gradually introduce the DPRK to international manufacturing and business practices while at the same time securing low-cost high-quality Korean-speaking workers for its own companies. The United States has refused to include products made in Gaeseong in the US-ROK Free Trade Agreement currently under consideration. The U.S. rejection of Gaeseong-manufactured products would make it challenging for Gaeseong to be successful.

¹¹⁹ Chosun Ilbo, “U.S. Takes Issue with Inter-Korean Projects,” October 18, 2006. (Accessed at <http://english.chosun.com/w21data/html/news/200610/200610180017.html>.)

¹²⁰ Lee Joo-Hee, “Seoul Urged to get Tough on North Korea,” The Korea Herald, October 19, 2006. (Accessed at http://www.koreaherald.co.kr/SITE/data/html_dir/2006/10/19/200610190001.asp.)

¹²¹ China View “China Resolutely Opposes DPRK Nuclear Test,” October 9, 2006. (Accessed at: http://news.xinhuanet.com/english/2006-10/09/content_5180203.htm).

expressed reservations about some of the provisions of 1718, including inspections of DPRK cargo.

It is too early to assess China's full response. Although reports say China's inspection of trucks going across its border seems to have increased, those reports also say that the inspections themselves are not thorough.¹²² One newspaper reported that China has not renewed visas for North Koreans working legally in China,¹²³ an action that would further dampen PRC-DPRK trade already negatively affected by the Banco Delta Asia ripple effect. Observers still doubt that China will take any actions that would hasten North Korea's collapse (such as a severe reduction in food or energy aid.) However, China has apparently accelerated extension of a barbed wire fence along the DPRK-China border, which has been interpreted by some as a prophylactic measure indicating that the PRC anticipates either regime collapse or a new influx of refugees pushed out by a new food crisis in the DPRK.¹²⁴

Conclusion

Over the last several years, Japan and the U.S. have introduced separate measures designed to restrict the DPRK's access to funds and WMD materials. With UN Resolution 1718, other nations will be compelled to institute their own laws, and the United States will likely implement new sanctions and treasury department actions as well.

As this paper is being produced, a range of reactions to the resolution is anticipated. The reversal of U.S. trade and travel sanctions that were eased in 1995 and 2000 is almost definite,

¹²² International Herald Tribune, "China Steps up Inspections of North Korea Trade after U.S. Sanctions," October 16, 2006. (Accessed at http://www.iht.com/articles/ap/2006/10/16/asia/AS_GEN_Koreas_Nuclear_China_Sanctions.php.)

¹²³ Chosun Ilbo, "Chinese Banks Restricting Cash Flow to North Korea," October 17, 2006. (Accessed at <http://english.chosun.com/w21data/html/news/200610/200610170004.html>.)

¹²⁴ International Herald Tribune, "China Erects Barbed Wire Fence along Border with North Korea," October 16, 2006. (Accessed at http://www.iht.com/articles/ap/2006/10/17/asia/AS_GEN_China_NKorea_Fence.php.)

although there may be some modifications. Considering the actual amount of trade conducted between the DPRK and the United States, such an action will signal the gravity of American displeasure with DPRK actions, but may have a minimal effect, in terms of dollar amount, on the North Korea economy, particularly the ruling elite.

Because the United States believes that Treasury Department actions have put pressure on North Korea, more of the same can be expected. The administration believes these types of measures hold advantages over broad-based sanctions programs, such as the ability, “to single out those responsible for supporting terrorism, proliferation, and other criminal activities, rather than an entire country,” thus making them “more apt to be accepted by a wider number of international actors and governments.”¹²⁵ In addition to the support of international actors and governments, the administration has also asserted that the partnership of the private sector has made the new measures successful and may even increase the efficacy of the actual sanctions that remain in place.¹²⁶

U.S. investigations of banks that have assisted in the North’s money laundering, counterfeiting or proliferation financing activities are being undertaken not only in Asia, but in Europe as well, as indicated by the March 2006 prohibition of transactions with Swiss entities determined by the Treasury Department to have engaged in activities “of proliferation concern” on behalf of the DPRK.¹²⁷ The Treasury Department has reportedly been successful in persuading 24 banks, including institutions in China, Mongolia, Singapore, and Vietnam, to restrict or terminate financial services for North Korean account holders.¹²⁸ According to Peter

¹²⁵ Levey, Stuart, Prepared Remarks, op. cited.

¹²⁶ Ibid

¹²⁷ See page 16 and the Treasury Department Press Release “Swiss Company, Individual Designated by Treasury for Supporting North Korean WMD” Proliferation,” op cited.

¹²⁸ Levey, Stuart, Prepared Remarks, op. cited, and Choe, Sang-Hun, “Australia and Japan Impose New Sanctions on North Korea,” International Herald Tribune, September 20, 2006. (Accessed at: http://www.nytimes.com/2006/09/19/world/asia/19cnd-korea.html?_r=1&oref=slogin)

Beck of International Crisis Group's Seoul office, the next U.S. target will be Russian-based companies.¹²⁹

Japan's already considerable sanctions may be extended. The U.S. and Japan seem to have won support from China and South Korea for stronger sanctions; their adoption of UN Resolution 1718 signals waning, if not quite yet exhausted, patience with the DPRK. However, as stated above, both nations will be unlikely to take measures that would destabilize North Korea or cause its collapse.

Whether or not the actions under consideration by the U.S., the UN and Six Party Talk participants are successful will depend on the ability of the parties to consult constructively. Any multilateral effort to resolve the current conflict on the Korean Peninsula requires cooperation. This means forging a genuine consensus that takes into consideration the historical experiences and current interests of each of the parties involved, including, ultimately, North Korea and the North Korean people.

*This report will be updated as necessary.
Please check the NCNK website for revised reports*

¹²⁹ Chosun Ilbo, "U.S., Japan Ready to Tighten Screw on North Korea," Chosun Ilbo, September 1, 2006. (Accessed at: <http://english.chosun.com/w21data/html/news/200609/200609010034.html>)

Summary of U.S. Sanctions from 2000- Until Present¹³⁰

<p>Travel: U.S. citizens do not need government permission before undertaking travel and travel services may organize group travel to the country. Normal travel transactions are not limited.</p>
<p>Imports: Imports coming directly from the DPRK or through third countries must have prior notification and approval from OFAC. The licensing process is meant to ensure that imports are not contributing to DPRK military, WMD programs, or support of international terrorism.</p>
<p>Exports: Because North Korea is identified on the State Department's list of state sponsors of terrorism, access to Commerce Control List (CCL) items such as "computers, software, national-security controlled items and service or repair of such items" continues to be restricted. Trade and transfer of funds related to missile equipment or technology, and dual-use items such as electronics, space systems or equipment are prohibited. Items on the State Department's Munitions List remain under sanction, the U.S. maintains an arms embargo against the DPRK and, under the U.S. Nuclear Regulatory Commission nuclear material also remains under sanction.</p>
<p>North-Korean Flagged Vessels Announced in April 2006 and effective in May 8: Foreign Assets Control Regulations prohibit "US persons from owning, leasing, operating or insuring any vessel flagged by NK."</p>
<p>Sanctions Targeting Specific Companies In addition to the general sanctions listed above, the U.S. Department of Treasury has identified certain North Korean companies as engaged in proliferation activities, prohibits U.S. persons/entities from engaging in certain transactions with those companies.¹³¹</p>
<p>Other U.S. Department of Treasury Actions: On September 20, 2005, Under Article 311 of the Patriot Act, The U.S. Department of Treasury has designated Banco Delta Asia (BDA), a bank in Macau with North Korean account holders, as a "primary money laundering concern"¹³² and has proposed rules restricting U.S. financial institutions from engaging in financial transactions with it. Although technically not a sanction, the U.S. Treasury Department designation resulted in a run on BDA by account holders, the Bank of Macau assumed control of BDA and impounded the North Korean accounts. The ripple effect, combined with the Treasury Department's efforts to educate other nations about the action, has made it difficult for the DPRK to find banks willing to handle its international transactions.</p>

¹³⁰ Information for the following compiled by author from Treasury Department's Office of Foreign Assets Control website. (Accessed at: <http://www.treasury.gov/offices/enforcement/ofac/programs/nkorea/nkorea.shtml> and <http://www.treasury.gov/offices/enforcement/ofac/programs/wmd/wmd.shtml>), Dianne Rennack's "North Korea: Economic Sanctions" (Report for Congress, Congressional Research Service, The Library of Congress: Washington, D.C., June 16,2005) and personal communication from Brad Babson. "Until Present" means October 17, 2006

¹³¹ Sanctions are authorized by the law, which is not DPRK-specific, and imposed in Executive Orders from the president, such as EO 12735(1990); EO 12938(1994) and EO 13094(1998). The most recent Executive Order, EO 13382, was issued July 1, 2005 -- Federal Register Vol. 70, No. 126, which can be accessed at:

<http://www.treasury.gov/offices/enforcement/ofac/legal/eo/whwmdeo.pdf> For a list of other companies that have been sanctioned as proliferators also see Rennack, Dianne E., "North Korea: Economic Sanctions," Report for Congress, Congressional Research Service, The Library of Congress: Washington, D.C., June 16,2005, 10.

¹³² Article 311 added Section 5318A to the Bank Secrecy Act, which authorized "the Secretary of the Treasury to find a foreign financial institution, jurisdiction, class of transactions or type of account to be of 'primary money laundering concern.' See "Treasury warns against North Korean Money Laundering," accessed at <http://usinfo.state.gov/eap/Archive/2005/Dec/19-946101.html>.

Timeline: U.S. Sanctions and other Treasury Departments Actions Against The DPRK

1950	Korean War breaks out. United States institutes total embargo on exports to North Korea. President Truman declares a state of national emergency in U.S. because of Korean War. Department of Treasury issues Foreign Assets Control Regulations (FACR), forbidding financial transactions by, or on behalf of, North Korea, including transactions for travel. These regulations also froze North Korean assets held under U.S. jurisdiction.
1953	Armistice halts Korean War.
1955	U.S. issues first International Traffic in Arms Regulations (ITAR) which includes North Korea on list of countries that should be denied, “licenses, other approvals, exports and imports of defense articles and defense services.”
1965	When Export Administration Regulations (EARs) are revised categorizing countries according to level of restriction, North Korea continues to be on the list of most restricted countries—Country Group Z.
1975	Korea- related Foreign Asset Control Regulations (FACRs) revised to prohibit transactions related to agricultural products that contained raw goods originating in the DPRK.
1985	DPRK joins NPT.
1987	KAL flight 858 is bombed, reportedly by North Korean agents.
1988	North Korea is added to U.S. Department of State’s list of state sponsors or supporters of international terrorism.
1989	EARs revised to allow export of “commercially-supplied goods intended to meet basic human needs” to DPRK with licenses granted on a case-by-case basis. Revisions ease regulations concerning travel to DPRK for special activities. Revisions to the IEEPA to reflect advances in media (such as CDs, etc.) allow for ease in flow of information materials between U.S. and certain countries, including DPRK.
1991	North and South Korea join the UN.
1992	FACR revised to allow telecommunication between U.S. and DPRK.
1992-2002	U.S. sanctions various North Korean entities for violation of U.S. missile nonproliferation laws found in sections of the Arms Export Control Act, Export Administration Act, and Iran Nonproliferation Act of 2000. Sanctions passed on North Korean entities in 1992, 1996, 1997, 1998, 2000, 2001, 2002 and 2006 often alongside sanctions on Iranian, Syrian or Pakistani entities.
1994	U.S. and DPRK Sign the Agreed Framework.
1995	A range of economic sanctions eased. New FACR revisions allow unlimited travel-related transactions, establishment of news organization offices and transactions related to provision of LWR. The revisions also allow for the importation of North Korean magnesite and magnesia.
1996	FACR revision allows for humanitarian donations in response to DPRK floods and famine.
1997	FACR revision authorizes payments for services rendered by North Korea to U.S aircraft in connection with overflight of, or emergency landing, in the DPRK.
1998	The DPRK test fires a missile over Japan.
1999	The DPRK announces a self-imposed moratorium on missile testing. President Clinton announces the most significant easing of trade and travel restrictions since their imposition in 1950.

2000	EARs and FACRs revised to allow for easing of these trade and travel sanctions. Regulations on financial transactions are also loosened so that most transactions are permitted.
2002	The Agreed Framework begins to erode when North Korea reportedly admits to having a uranium enrichment program, reactivates its reactor at Yongbyon and expels IAEA inspectors and the United States stops oil shipments to DPRK.
2003	DPRK withdraws from NPT
2005	<p>March 2: North Korea announces an end to its missile-testing moratorium.</p> <p>May 1: North Korea tests a short-range missile.</p> <p>September: The U.S. Department of Treasury designates Banco Delta Asia in Macau a “money laundering concern;” Macanese authorities respond by freezing North Korean accounts. The Fourth Round of Six-Party Talks produces the “September Joint Statement,” in which parties agree to the goal of ending North Korea’s nuclear weapons program. The U.S. sanctions two North Korean companies.</p> <p>Treasury Freezes Assets of 8 North Korean entities for supplying WMD proliferation</p>
2006	<p>March: A North Korean Delegation visits the U.S. to discuss the BDA designation; the meeting is inconclusive. The following day (March 8), North Korea tests a short-range missile.</p> <p>March 30: The U.S. freezes assets of two Swiss firms that allegedly support the DPRK’s WMD program.</p> <p>April: New OFAC regulations, effective in May, make it illegal for U.S. persons to own, lease, operate or insure any vessel flagged by North Korea.</p> <p>July 5: DPRK test fires seven missiles, including a Taepo-Dong long-range missile.</p> <p>July 15: UN Security Council unanimously adopts Resolution 1695.</p> <p>October 3: North Korea announces unspecific plans to test a nuclear weapon.</p> <p>October 6: The UNSC Issues SC 8859 warning North Korea not to test a nuclear weapon.</p> <p>October 9: North Korea announces that it has exploded a nuclear weapon.</p> <p>October 13: New Japanese sanctions, announced October 11, go into effect.</p> <p>October 14: The UN Security Council unanimously adopts Resolution 1718.</p>

Works Cited

Articles and Books

- The Associated Press, "U.S. Officials Could Remove North Korea from List of Terrorist Countries," The Associated Press, October 7, 2000. (Accessed at: <http://archives.cnn.com/2000/ASIANOW/east/10/07/nkorea.us.ap/index.html>)
- BBC News, "New Sanctions Target North Korea," BBC News: London, September 19, 2006. (Accessed at: <http://news.bbc.co.uk/2/hi/asia-pacific/5358660.stm>)
- Bennis, Phyllis, "Some Questions and Answers on the Iraq Crisis," December 18, 1998, (Accessed at <http://www.globalpolicy.org/security/issues/irq12-10.htm>.)
- China View "China Resolutely Opposes DPRK Nuclear Test," October 9, 2006. (Accessed at: http://news.xinhuanet.com/english/2006-10/09/content_5180203.htm)
- China View "South Korea Denounces North Korea Nuclear Test," October 9, 2006. (Accessed at: http://news.xinhuanet.com/english/2006-10/09/content_5180667.htm)
- Choe, Sang-Hun, "Australia and Japan Impose New Sanctions on North Korea," International Herald Tribune, September 19, 2006. (Accessed at: http://www.nytimes.com/2006/09/19/world/asia/19cnd-korea.html?_r=1&oref=slogin)
- Choe, Sang-Hun, "Australia and Japan Put Penalties on North Korea," International Herald Tribune, September 19, 2006. (Accessed at: <http://www.iht.com/articles/2006/09/19/business/nkorea.php>)
- Chosun Ilbo, "Chinese Banks Restricting Cash Flow to North Korea," October 17, 2006. (Accessed at <http://english.chosun.com/w21data/html/news/200610/200610170004.html>.)
- Chosun Ilbo, "U.S., Japan Ready to Tighten Screw on North Korea," Chosun Ilbo, September 1, 2006. (Accessed at: <http://english.chosun.com/w21data/html/news/200609/200609010034.html>)
- Chosun Ilbo, "U.S. Punishes Swiss Firm for North Korea Connection," Chosun Ilbo, March 31, 2006. (Accessed at: <http://english.chosun.com/w21data/html/news/200603/200603310009.html>)
- Chosun Ilbo, "U.S. Slaps Sanctions on Two North Korean Firms," Chosun Ilbo, August 7, 2006. (Accessed at: <http://english.chosun.com/w21data/html/news/200608/200608070008.html>)
- Chosun Ilbo, "U.S. Takes Issue with Inter-Korean Projects," October 18, 2006. (Accessed at <http://english.chosun.com/w21data/html/news/200610/200610180017.html>.)
- Cotton, James, "Missiles and Sanctions: Has a Watershed Been reached in the Korean Nuclear Crisis?" Nautilus Institute: San Francisco, Policy Forum Online 06-75A, September 13, 2006. (Accessed at: <http://www.nautilus.org/fora/security/0675Cotton.html>)
- Cowie, Nigel "The US Financial Allegations: What they Mean" (Nautilus Institute, Policy Forum Online 06-35A: May 4th, 2006). (Accessed at <http://www.nautilus.org/fora/security/0635Cowie.html>)
- Faiola, Anthony, "North Korea Shifts Toward Capitalism" (Washington Post, September 14, 2003. (Accessed at <http://www.nkeconwatch.com/2003/09/14/n-korea-shifts-towards-capitalism/>)
- Fifield, Anna, "Bankers Challenge US Sanctions on North Korea," Financial Times, September 5, 2006. (Accessed at: <http://www.ft.com/cms/s/711e49e8-3c3e-11db-9c97-0000779e2340.html>)
- Feffer, John North Korea/South Korea, U.S. Policy in a Time of Crisis (New York: 7 Stories Press, 20023)

- Flake, L. Gordon, and Snyder, Scott, Eds. Paved with Good Intentions: The NGO Experience in North Korea (Westport, CT: Praeger, 2003).
- Gearan, Anne "Rice Says US Ready to Defend Japan," *The Houston Chronicle*, October 18, 2006. (Accessed at <http://www.chron.com/disp/story.mpl/ap/world/4269014.html>.)
- Global Policy Forum, "Iraq Sanctions: Humanitarian Implications and Options for the Future," August 6, 2002. (Accessed at <http://www.globalpolicy.org/security/sanction/iraq1/2002/paper.htm>.)
- Glosserman, Brad "Forward on Trade as Nuclear Talks Sputter" in *Comparative Connections*, Vol 8, No. 1, April 12, 2006. (Accessed at: http://www.csis.org/images/stories/pacfor/0601qus_skorea.pdf)
- Glosserman, Brad "Good News Summit Kicks Disputes Down the Road," in *Comparative Connections*, Vol 7, No. 2, July 2005. (Accessed at <http://www.csis.org/media/isis/pubs/0502q.pdf>.)
- International Herald Tribune, "China Erects Barbed Wire Fence along Border with North Korea," October 16, 2006. (Accessed at http://www.iht.com/articles/ap/2006/10/17/asia/AS_GEN_China_NKorea_Fence.php.)
- International Herald Tribune, "China Steps up Inspections of North Korea Trade after U.S. Sanctions," October 16, 2006. (Accessed at http://www.iht.com/articles/ap/2006/10/16/asia/AS_GEN_Koreas_Nuclear_China_Sanctions.php.)
- The Japan Times, "Japan Adds 20 N. Korean, 4 Iranian Firms to Export Control List," April 4, 2006. (Accessed at <http://search.japantimes.co.jp/cgi-bin/nn20060405a7.html>)
- Jurenas, Remy "Exempting Food and Agricultural Products from US Sanctions: Status on Implementation," Updated April 18, 2006, accessed at <http://ncseonline.org/NLE/CRSreports/04Sep/IB10061.pdf>.
- Krik, Don, "North Korea May Lose Terrorism Label," *International Herald Tribune*, January 31, 2000. (Accessed at: http://www.iht.com/articles/2000/01/31/kor.2.t_2.php)
- Manyin, Mark, "Japan-North Korea Relations: Selected Issues," Report for Congress, Congressional Research Service, The Library of Congress, November 26, 2003, 5. (Accessed at: <http://fpc.state.gov/documents/organization/27531.pdf#search=%22Japan-North%20Korea%20Relations%3A%20Selected%20Issues%22>)
- Lee Joo-Hee, "Seoul Urged to get Tough on North Korea," *The Korea Herald*, October 19, 2006. (Accessed at http://www.koreaherald.co.kr/SITE/data/html_dir/2006/10/19/200610190001.asp.)
- Mihm, Stephen, "No Ordinary Counterfeit," *New York Times Magazine*: New York, July 23, 2006. (Accessed at: <http://www.nytimes.com/2006/07/23/magazine/23counterfeit.html?ei=5088&en=1532e77e2eabea37&ex=1311307200&partner=rssnyt&emc=rss&pagewanted=all>)
- Niksich, Larry, "Korea: U.S. - Korean Relations- Issues for Congress," April 14, 2006, 7. (Accessed at: <http://www.fas.org/sgp/crs/row/IB98045.pdf#search=%22Korea%3A%20U.S.%20-%20Korean%20Relations-%20Issues%20for%20Congress%22>)
- Noland, Marcus, Avoiding the Apocalypse: The Future of the Two Koreas, Institute for International Economics: Washington, D.C., June 2000.

- Noland, Marcus, "The Legal Framework of US–North Korea Trade Relations," Op-ed in *JoongAng Ilbo*, April 27, 2004. (Accessed at: <http://www.iie.com/publications/opeds/oped.cfm?ResearchID=206>)
- Noland, Marcus, "US Economic Diplomacy Toward North Korea," Op-Ed in *JoongAng Ilbo*, May 21, 2004. (Accessed at: <http://www.iie.com/publications/opeds/oped.cfm?researchid=210>)
- O'Hanlon, Michael and Mochizuki, Mike, Crisis on the Korean Peninsula (New York: McGraw, Hill, 2003)
- Pak Gil Yon, "Statement by Ambassador Pak Gil Yon, North Korean Permanent Representative to the United Nations, Following A Security Council Vote to Sanction North Korea," UN Headquarters, The Federal News Service: New York, July 17, 2006.
- Rank, Michael, "Minerals, Railways Draw China to North Korea," (*Asia Times On-Line*, Nov 18, 2005, accessed at http://www.atimes.com/atimes/China_Business/GK18Cb06.html)
- Rennack, Dianne E., "North Korea: Economic Sanctions," Report for Congress, Congressional Research Service, The Library of Congress: Washington, D.C., January 24, 2003, 1. (Accessed at: <http://nautilus.org/DPRKBriefingBook/sanctions/NorthKorea-EconomicSanctions.pdf>)
- Sanger, David, "U.S. Readies Options on North Korea," *The New York Times*, October 6, 2006, accessed at <http://www.ihf.com/articles/2006/10/06/news/nuke.php>)
- Schoff, James, Building Multi-Party Capacity for a WMD-Free Korean Peninsula, Multilateral Workshop Summary and Project Report, Institute for Foreign Policy Analysis, 37-38. (Accessed at <http://www.ifpa.org/pdf/BuildMPC.pdf>)
- Schoff, James, "Political Fences & Bad Neighbors: North Korea Policy Making in Japan & Implications for the United States," Institute for Foreign Policy Analysis: Cambridge, MA, June 2006, 2. (Accessed at: <http://www.ifpa.org/projects/SRF-Japan-DPRK.htm>)
- Shima, Kenzo, Address to the United Nations, September 26, 2006) (Accessed at <http://www.mofa.go.jp/announce/speech/un2006/un0609.html>).
- Smith, Hazel Hungry for Peace: International Security, Humanitarian Assistance, and Social Change in North Korea (Washington, DC: United States Institute for Peace, 2005.
- Tadashi Toriyama, "Abe, Hu, discuss North Korea (*The Daily Yomiuri Online*, October 8, 2006, accessed at <http://www.yomiuri.co.jp/dy/national/20061009TDY01006.htm>)
- USA Today, "U.S. intelligence: Air samples confirm N. Korea nuke test," October 16, 2006. Accessed at http://www.usatoday.com/news/washington/2006-10-16-us-north-korea_x.htm?POE=NEWISVA.

Government Documents, Legislation and Statements

- "Condemning the Democratic People's Republic of Korea for the abductions and continued captivity of citizens of the Republic of Korea and Japan as acts of terrorism and gross violations of human rights," H. CON Res 168, 109th Congress, passed in the House and received and referred to the Senate Committee on Foreign Relations July 12, 2005.
- DPRK Unilateral Missile Moratorium, September 24, 1999, (Accessed at http://72.14.209.104/u/nautilus?q=cache:i-uFv5V26asJ:www.nautilus.org/DPRKBriefingBook.old/agreements/CanKor_VTK_1999_09_24_DPRK_missile_moratorium.pdf+moratorium&hl=en&gl=us&ct=clnk&cd=1&ie=UTF-8)

The Harmonized Tariff Schedule of the United States (Accessed online at: <http://www.usitc.gov/tata/hts/bychapter/index.htm>.)

“Joint Statement of the Democratic People’s Republic of Korea and the United States of America,” New York, June 11, 1993. (Accessed at: <http://www.armscontrol.org/factsheets/1993NKagreement.asp>)

Levey, Stuart, Prepared Remarks By Stuart Levey Under Secretary for Terrorism and Financial Intelligence Before the American Enterprise Institute for Public Policy Research, September 8, 2006. (Accessed at: <http://www.ustreas.gov/press/releases/hp86.htm>)

“Major Provisions: Export Administration Act of 2001,” 107th Congress, September 6, 2001. (Accessed at: <http://banking.senate.gov/docs/eaa/mprov01.htm>)

Press Conference with Tomohiko Taniguchi, Ministry of Foreign Affairs: Japan, September 19, 2006. (Accessed at: <http://www.mofa.go.jp/announce/press/2006/9/0919.html>)

Public Law No: 109-353, “The North Korea Non-Proliferation Act of 2006.”

Rice, Condoleezza, Secretary of State, “Briefing of Upcoming Trip to Asia,” October 17, 2006. (Accessed at <http://www.state.gov/secretary/rm/2006/74047.htm>.)

United States Code, 12 U.S.C. Section 95a, 65th Congress, October 6, 1917.

United States Foreign Assets Control Regulations, Title 31, Part 500, Sections 500.580- 500.586. (Accessed at: http://www.access.gpo.gov/nara/cfr/waisidx_03/31cfr500_03.html)

United States International Trade Commission, Tariff Information Center (Accessed at: <http://www.usitc.gov/tata/index.htm>)

United States Treasury, “Swiss Company, Individual Designated by Treasury for Supporting North Korean WMD Proliferation,” Press Release, United States Treasury: Washington, D.C., March 30, 2006.

United Nations Documents

“Security Council Condemns Nuclear Test by Democratic People’s Republic of Korea, Unanimously Adopting Resolution 1718 (2006), UN Press Release SC/8853.” (Accessed at <http://www.un.org/News/Press/docs//2006/sc8853.doc.htm>.) United Nations Charter, Chapter VII (Accessed at: <http://www.un.org/aboutun/charter/>)

United Nations Security Council, Resolution 825, S/RES/825 (1993), May 11, 1993. (Accessed at: <http://daccessdds.un.org/doc/UNDOC/GEN/N93/280/49/IMG/N9328049.pdf?OpenElement>)

United Nations Security Council, Statement by the President of the Security Council, S/PRST/2006/41, October 6, 2006. (Accessed at <http://www.un.org/News/Press/docs//2006/sc8849.doc.htm> or <http://daccessdds.un.org/doc/UNDOC/GEN/N06/557/05/PDF/N0655705.pdf?OpenElement>)

United Nations Security Council, Resolution 1695, S/RES/1695 (2006), July 15, 2006. (Accessed at: http://www.un.org/docs/sc/unsc_resolutions06.htm)

United Nations Security Council, Resolution 1718, S/Res/1718 (2006). October 14, 2006. (Accessed at <http://daccessdds.un.org/doc/UNDOC/GEN/N06/572/07/PDF/N0657207.pdf?OpenElement>.)

United Nations Security Council, “Security Council Sanctions Committees: An Overview,” (Accessed at: <http://www.un.org/Docs/sc/committees/INTRO.htm>)

Additional Works Consulted

Articles

- The Associated Press, "Envoy to North Korea Delivers Clinton Letter," The Associated Press, May 27, 1999.
- The Associated Press, "Japan Considering Additional Sanctions on N. Korea," The Associated Press, September 14, 2006. (Accessed at: http://www.iht.com/articles/ap/2006/09/14/asia/AS_GEN_Japan_NKorea.php)
- BBC News, "Japan Asks North Korea Not to Link Six-Party Talks to US Sanctions," BBC News: London, December 13, 2005.
- BBC News, "N. Korea to Face Japan Sanctions: Japan's Parliament has Passed a Bill Calling for Economic Sanctions Against North Korea Unless a Dispute Over Kidnapped Japanese Citizens is Solved," BBC News: London, June 13, 2006. (Accessed at: <http://news.bbc.co.uk/2/hi/asia-pacific/5074234.stm>)
- BBC News, "US Officials Link Economic Sanctions to North Korea Nuclear Issue," December 13, 2005.
- Chang, Jae-Soon, "High-Level Talks Between 2 Koreas Fail," International Business Times, July 13, 2006. (Accessed at: <http://www.ibtimes.com/articles/20060713/korea-nuclear-talks.htm>)
- Chosun Ilbo, "Japan Shuts Off Cash Flow to N. Korea," Chosun-Ilbo, September 14, 2006. (Accessed at: <http://english.chosun.com/w21data/html/news/200609/200609140012.html>)
- Chosun Ilbo, "North Korea Sanctions: What the U.S. Could Do Next," Chosun-Ilbo, March 13, 2006. (Accessed at: <http://english.chosun.com/w21data/html/news/200603/200603130021.html>)
- Chosun Ilbo, "North Korean Regime Feeling Pinch from Sanctions: U.S.," Chosun-Ilbo, April 3, 2006. (Accessed at: <http://english.chosun.com/w21data/html/news/200604/200604030024.html>)
- Chosun Ilbo, "U.S. Hits North Korea with Shipping Sanctions," Chosun-Ilbo, April 11, 2006. (Accessed at: <http://english.chosun.com/w21data/html/news/200604/200604110018.html>)
- Chosun Ilbo, "U.S. Punishes Swiss Firm for N. Korea Connection," Chosun-Ilbo, March 31, 2006. (Accessed at: <http://english.chosun.com/w21data/html/news/200603/200603310009.html>)
- Cody, Edward. "China Critical of UN Draft on N. Korea," Washington Post: Washington, D.C., July 12, 2006.
- Dao, James, "US Shaping North Korean Sanctions," New York Times: New York, February 27, 2003.
- Detroit News Wire Services, "South Korea Pleads for End to Sanctions Against the North," Detroit News Wire Services, June 8, 1998.
- Elliot, Kimberly Ann, "The Role of Economic Leverage in Negotiations with North Korea," Nautilus Institute: San Francisco, April 1, 2003. (Accessed at: <http://nautilus.org/DPRKBriefingBook/sanctions/Elliott.html>)
- Facts on File World News Digest, "North Korea Test-Fires Ballistic Missiles; Long-Range Model Fails; U.S., Japan Seek United Nations Action," Facts on File, Inc., July 6, 2006.

Fitzgerald, Allison, "U.S. to Treat All North Korea Transactions as Suspect," Bloomberg: New York, August 25, 2006. (Accessed at: <http://www.bloomberg.com/apps/news?pid=20601103&sid=aEaDkxuoMODc&refer=us>)

Goodenough, Patrick, "Japan Mulls Financial Sanctions Against North Korea," CNSNews International Editor, July 18, 2006. (Accessed at: <http://www.cnsnews.com/ViewForeignBureaus.asp?Page=/ForeignBureaus/archive/200607/INT20060718c.html>)

Guha, Krishna, "US Mulls Reimposing Economic Sanctions on N Korea Over Missiles," The Financial Times: London, July 31, 2006. (Accessed at: <http://www.ft.com/cms/s/6ffd81fc-2030-11db-9913-0000779e2340.html>)

Haberman, Clyde, "Japanese Imposing Sanctions on North Korea," The New York Times: New York, January 26, 1988.

Hoge, Warren and Joseph Kahn, "New North Korea Resolution Offered," New York Times: New York, July 13, 2006. (Accessed at: <http://www.nytimes.com/2006/07/13/world/asia/13korea.html?ex=1310443200&en=c5f6f8d9968cf2b5&ei=5088&partner=rssnyt&emc=rss>)

Hunt, Terrence, "Clinton Ends Most N. Korea Sanctions: Republican leaders say he's bowing to pressure," Associated Press, September 18, 1999.

JoongAng Ilbo, "U.S., China Spar Over Sanctions on North Korea," JoongAng Ilbo, September 6, 2006. (Accessed at: <http://joongangdaily.joins.com/200609/06/200609062223038339900090209021.html>)

Kerr, Paul, "North Korea Disavows Missile Moratorium; Talks Remain Stalled" Arms Control Today, April 2005, accessed at http://www.armscontrol.org/act/2005_04/NK.asp

Kyodo News International, "Japan Eyes Financial Sanctions on N. Korea As Early As Tuesday," Kyodo News International, September 15, 2006. (Accessed at: <http://home.kyodo.co.jp/modules/fstStory/index.php?storyid=271112>)

Kyodo World Service, "U.S., China Discuss Need for Warning N. Korea Against Nuke Test," Kyodo World Service, September 6, 2006.

Landers, Jim, "China in a Delicate Position Regarding Future of Longtime Ally North Korea," The Dallas Morning News: TX, January 6, 2006.

Lederer, Edith M. "UN Imposes Limited Sanctions on N. Korea, Which Vows More Missile Tests," Associated Press, July 16, 2006.

Lee, Jin-woo, "Sanctions to Aim at North's Fire Power," The Korea Times, September, 2006. (Accessed at: <http://times.hankooki.com/lpage/200609/kt2006090417550868040.htm>)

The Lowell Sun, "Lost Face, Face Sanctions: China's Lesson to North Korea," The Lowell Sun: MA, August 7, 2006.

Martin, Bradley K., "U.K.'s Koryo Asia to Buy North Korean Bank Under U.S. Sanctions," Bloomberg: New York, September 1, 2006. (Accessed at: <http://www.bloomberg.com/apps/news?pid=20601101&sid=aAdKxSbuyx.w>)

Martineau, Lisa, "Tokyo Sanctions on North Korea," The Guardian: London, January 27, 1988.

MSNBS News Service, "Bush Slams North Korea's Apparent Nuclear Test," October 9, 2006. (Accessed at <http://www.msnbc.msn.com/id/15190745/>.)

Nabeshima, Keizo, "Pyongyang Opts for Isolation," The Japan Times, July 24, 2006.

The New York Times, "Clinton Eases North Korea Sanctions," The New York Times, September 17, 1999.

The New York Times, "North Korea Hit by First Sanctions," The New York Times: New York, March 16, 1993.

The New York Times, "UN Sanctions for North Korea," The New York Times: New York, June 4, 1994.

Newcomb, Amelia A., "U.S. Eases Trade Sanctions on North Korea," The Daily Yomiuri, January 22, 1995.

North Korean Central News Agency, "Easing Sanctions," North Korean Central News Agency, September 17, 1999.

Sanger, David E., "Japan to Remove Sanctions Against North Korea," The New York Times: New York, September 13, 1988.

Sanger, David E., "US Is Warning North Koreans on Nuclear Test," New York Times: New York, May 16, 2005.

Sanger, David E., "White House May Go to UN over North Korean Shipments," New York Times: New York, April 25, 2005.

Schoff, James L., "Abduction Diplomacy and the Six-Party Talks," PacNet, No.18, Pacific Forum CSIS: Honolulu, April 25, 2006. (Accessed at: http://www.csis.org/component/option.com_csis_pubs/task.view/id.3156/)

State News Service, "Bill Imposes Sanctions on Parties Who Aid Regime's Weapons Programs," State News Service: Washington, July 14, 2006.

US Fed News, "North Korea: The 'Crisis from Hell'," US Fed News: Washington D.C., February 15, 2005.

Watts, Jonathan, "UN Gives North Korea One Last Chance," Guardian: London, January 7, 2003.

Yamamura, Keiichi and Jason Clenfield, "Koizumi Says No Japan Decision on N. Korea Sanctions," Bloomberg: New York, September 14, 2006.

Timelines

BBC News, "Timeline: North Korea," BBC News: London. (Accessed at: http://news.bbc.co.uk/1/hi/world/asia-pacific/country_profiles/1132268.stm)

Arms Control Association, "Chronology of U.S. - North Korean Nuclear and Missile Diplomacy," Arms Control Association, June 2003. (Accessed at: <http://www.armscontrol.org/factsheets/dprkchron.asp>)

United Nations Documents

United Nations Security Council, Statement by the President of the Security Council, 2.B.2. S/25562 (1993), April 8, 1993. (Accessed at: <http://www.un.int/korea/sc.html>)

United Nations Security Council, Statement by the President of the Security Council, S/PRST/1994/13, March 31, 1994. (Accessed at: <http://www.un.org/docs/sc/statements/1994/sprst94.htm>)

United Nations Security Council, Statement by the President of the Security Council, S/PRST/1994/28. May 30, 1994. (Accessed at: <http://www.un.org/docs/sc/statements/1994/sprst94.htm>)

United Nations Security Council, Statement by the President of the Security Council, S/PRST/1994/64, November 4, 1994. (Accessed at: <http://www.un.org/docs/sc/statements/1994/sprst94.htm>)

United Nations Security Council, Statement by the President of the Security Council,
S/PRST/1996/42, October 15, 1996. (Accessed at:
<http://www.un.org/docs/sc/statements/1996/sprst96.htm>)