

Comparative Connections

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North Korea-South Korea Relations: Peace economics?

Aidan Foster-Carter
Leeds University, UK

In general the last quarter of 2005 brought even less joy to the world from North Korea than usual. September's euphoria over a hard-won agreement of principles at the Six-Party Talks soon dissolved in wrangling, and as of early 2006 this on-off dialogue again looks to be off. Elsewhere, the DPRK abruptly told those who had generously fed it for a decade that humanitarian aid was no longer needed, emboldened, critics claimed, by half a million tons of rice sent by South Korea (ditto China) with minimal monitoring.

Amid this generally worsening picture, unlike in the recent past (e.g., mid-2004 – mid-2005) Pyongyang did not suspend links with Seoul, yet neither did it rush to expedite them. By the numbers, North-South intercourse hit new records in 2005: inter-Korean trade topped \$1 billion, while three times more Southern visitors headed North than in 2004. Yet frustration continued in the South over Northern slowness to implement matters nominally agreed on earlier, ranging from military talks to the delayed opening of the two new cross-border railways – physically ready, but with no sign that trains will run any time soon. But the Kaesong industrial zone continued to grow, and North Korea partially patched up what threatened to be a damaging row (of its own making) with its main benefactor, Hyundai.

Send suits, shoes, and soap, now

After September's 16th ministerial talks, the normal cycle of inter-governmental meetings continued with the 11th session of the Inter-Korean Economic Cooperation Promotion Committee (ECPC) on Oct. 28. Unusually this lasted only a single day, as the North accepted a longstanding Southern request to set the agenda in advance at working meetings, rather than waste time at the plenary stating positions in set speeches. The meeting was held in Kaesong rather than Pyongyang, to coincide with the opening in the Kaesong industrial zone of a permanent joint office to boost bilateral economic cooperation, where for the first time ROK and DPRK officials now routinely work side by side on Northern soil.

Sadly, context was not matched by content. To Southern frustration, the North refused to discuss most of the wide-ranging areas of cooperation it had canvassed just weeks before (see "Who's Singing Whose Song?" *Comparative Connections*, Vol.7, No. 2). Instead Pyongyang was fixated on a single deal: demanding light industrial raw materials on a vast scale – reportedly enough to

make 2 million suits, 60 million pairs of shoes, and 200 million bars of soap – in exchange for vague mining rights.

Seoul, by contrast, wanted to know when cross-border trains will run, and to take forward plans for joint farming, fishing, and more broached by the North in June and July. The result was stalemate: the meeting closed with a perfunctory joint statement and no date was set to meet again. Later working-level meetings failed to break the deadlock. Not for the first time it was hard to know what Pyongyang's game is, other than keeping everyone guessing.

Jeju: real carrots

It was a similar story at the last quarterly Cabinet-level meeting of the year, held in Jeju (for the first time) in December. The ROK resort island province is a donor to the North in its own right, and marked the occasion by dispatching a 10,000-ton shipload of tangerines and carrots; many might see the latter as symbolic. For their part, Northern delegates made nationalistic digs about the prevalence of signs in English. Within the meeting they were no more positive: still stonewalling on economic projects and as ever refusing to discuss the nuclear issue despite the crisis in the Six-Party Talks. They even threatened to leave early in protest at the South's refusal to let its citizens visit Kim Il-sung's mausoleum, one of very few such restrictions remaining. The final joint statement was thus full of pious generalities and vague reaffirmations with just a few minor new specifics: cooperating in Taekwondo, seeking world heritage status for Kaesong city, and returning a monument, *Bukgwandaecheopbi*, to the North.

Kaesong: calling Dokdo

Yet on some fronts, notably the Kaesong industrial zone (KIZ), North Korea does seem to be a more serious partner. Besides opening the joint business office mentioned above, the North also agreed to expedite construction of a training facility in the KIZ which, when completed later this year, will upgrade the skills of up to 30,000 DPRK workers annually.

Other obstacles lie elsewhere. In November, Washington at last granted export licenses so KT (Korea Telecom) could bring in equipment vital for a proper telecom service in the KIZ. This was launched Dec. 28, with ceremonial calls to – among other places – the disputed Dokdo islet (known and claimed as Takeshima by Japan). Though still very small scale, with ever more ROK firms setting up in the KIZ – the number is forecast to grow from 15 so far to 300 by end-2006; we shall see – it is not fanciful to imagine a new Shenzhen in the making, albeit a couple of decades behind that Chinese exemplar.

For Sunshine's advocates, such ventures also reduce tension. The very idea of commuting across the once impermeable Demilitarized Zone (DMZ) – two buses leave Seoul at 7:30 each morning – is startling. According to then Unification Minister Chung Dong-young – a likely contender in the 2007 presidential election – the Korean People's Army (KPA) has pulled back its troops eight miles north of Kaesong. They surely remain forward-deployed along the rest of the DMZ, the two corridors to Kaesong and Mt. Kumgang excepted.

Can aid and business breed peace?

“Peace economics” is Chung’s term for his aim here. To critics, this laudable goal begs key questions of sequencing and conditionality. What aid if any should a nuclear-defiant North Korea be given? Is there not a risk that sweeteners meant to soften a dangerous dictatorship will instead simply prop it up? With kind friends in Seoul, why should Kim Jong-il change?

In a revealing phrase, an overview of ROK efforts on DPRK humanitarian issues, published on the Unification Ministry (MOU)’s website in late November, made a striking linkage:

“South Korea is currently providing 400,000~500,000 tons of food and 300,000 tons of fertilizers to North Korea *to fundamentally solve the problems of North Korean defectors* [emphasis added] and to enhance the living standards of North Koreans.”

While it is true that most DPRK refugees flee poverty in the first instance, the implication that fuller bellies should make them stay put is crude and unconvincing. Can Kim Jong-il’s regime be trusted to distribute aid equitably? Above all, can North Koreans be legitimately stopped from also seeking the freedom that the ROK constitution says is theirs by right?

A gadfly sociologist spooks prosecutors

In democratic South Korea, questions like this remain hotly contested in what is sometimes ironically termed South-South conflict. Opinion polls show a majority favoring continued or increased aid to the North, while to conservative alarm even 60 percent of conscripts say they view North Korea as a partner. A special bugbear of the right is Kang Jeong-koo, an aging, radical sociologist given to what many see as pro-North remarks. This remains illegal under the still unrevised National Security Law (NSL), and Professor Kang was duly indicted, but the justice minister told the prosecution not to lock him up. Though within his rights, this was an unprecedented intervention and the prosecutor-general resigned in protest. With even a poll of CEOs (who surely have bigger things to worry about) citing the Kang affair as their main current concern, to an outsider it seems bizarre that a tedious but harmless gadfly, of a familiar type, should cause such a buzz – which he is no doubt enjoying it. There are also free speech issues, as Voltaire knew. Kang’s trial in February will ensure that the fun continues.

Tourism soars, spat settled – sort of

Tourism (one-way, of course) has been a mainstay of the new inter-Korean ties. Hyundai’s tours to Mt. Kumgang, which marked their seventh anniversary in November and brought their millionth Southern visitor in June, laid a foundation for the “Sunshine” policy begun by Kim Dae-jung (ROK president 1998-2003) and continued by his successor Roh Moo-hyun.

But despite pouring at least \$1.5 billion into North Korea, Hyundai began the quarter under sanctions from Pyongyang for dismissing Hyundai Asan’s ex-CEO on corruption charges (more details in our third quarter roundup, “Full Steam Ahead,” Vol 7, No. 3). By mid-November, this row had been partially patched up, so that all concerned – including then Unification Minister Chung – could head for Kumgang’s hills and beaches to toast the tours’ seventh birthday.

Yet although Pyongyang has now eased limits on the Kumgang tours (still subsidized by Seoul), it has not yet accepted Hyundai Asan's new CEO. Nor is it clear if Hyundai will be allowed back onto further tourist projects, to Kaesong city (near) and Mt. Paekdu (far), on which it had already signed deals. If North Korea tries to give (or rather sell) these to other ROK firms, and if Seoul tolerates this breach of contract, then it sends a highly negative signal to anyone else contemplating business with the North. (Note that no other big *chaebol* besides Hyundai has gone in.) One would think Kim Jong-il might grasp this.

Still, beyond the Kumgang enclave the North's lure remains strong. October, remarkably, saw daily shuttle flights from Seoul to Pyongyang, bringing over 7,000 Southern tourists for a pricey (\$1,000 and up) one-night tour of the DPRK capital, the highlight being the Arirang mass games. Having belatedly grasped that this unique spectacular was a money-spinner, the DPRK opened it not only to South Koreans but all and sundry: the "reptile press" and even U.S. citizens, normally banned as tourists, unlike other Westerners.

The result was barbarian invasion on a scale not seen since 1989, when Pyongyang hosted a world youth festival. Then, the strains of Michael Jackson wafted across the Taedong River, courtesy of an impromptu alfresco Czech disco. This time there was no such disorder, but inter-Korean mixing on an unprecedented scale. Ordinary South Koreans were everywhere, large as life, doing their thing. The tens of thousands of Northerners who encountered them, even briefly, could not fail to see that their compatriots were richer, freer, and had more fun. The regime took a big risk with hearts and minds here; they must really need the money. If such tourism grows as planned, then so inevitably will cross-border cultural contamination.

More visitors than ever – in one direction

Yearend brought the usual statistics. 2005 was a record year for inter-Korean visits, almost all in one direction. By end-November 80,000 South Koreans had gone North, more than triple 2004's total of 26,534. This excludes 284,502 tourists to Hyundai's Mt. Kumgang resort, which in June welcomed its millionth visitor since 1998. Besides the fall's festival flights to Pyongyang, a trickle of wider tourism saw 1,634 tour the ancient capital, Kaesong, close to Seoul just north of the DMZ. Cross-border roads in west and east, to Kaesong and Kumgang respectively, now take a daily average of 1,136 Southerners north in 161 vehicles (hardly jamming the highway); but their parallel railways have yet to roll. Meanwhile, the year saw 34 official inter-Korean meetings, up from 25 in 2004, but fewer than the 38 held in 2003. Some 3,151 South Koreans met Northern kin, or (in an innovation) saw them by video-link, but far more still yearn for this opportunity or die waiting. Even for the lucky few, these are just one-off meetings, with no subsequent communication of any kind permitted.

Inter-Korean trade also hit record levels, topping \$1 billion for the first time. Southern exports to the North in 2005 rose 60 percent from 2004 to \$710 million, while Seoul's imports were up 30 percent to \$340 million. Much of what the ROK sends is really aid rather than trade, whereas most DPRK exports are genuinely commercial. Separately, Seoul also tallied the cost of inter-Korean cooperation in 2005 at a (presumably rounded) \$1 billion. Some 503 ROK firms and 760 products are involved, most no doubt in trade, since total Southern investment in the North grew only from \$11.8 million to \$18.7 million.

A billion dollars a year

Notwithstanding the nuclear impasse, South Korea may give the North \$1 billion annually for the next five years. Plans drawn up in July by the MOU, and published in November by a lawmaker of the opposition Grand National Party (GNP), Chung Moon-hun, would see \$1 billion (1 trillion won) go to support DPRK light industry, to help meet a demand for 30,000 tons of clothing fabric and 60 million pairs of shoes. Some 560 billion won would be earmarked for agricultural projects like the development of joint farming complexes, forestation, and exchanges of experts. Other areas include \$100 million for marine cooperation (100 billion won), \$150 million for joint mining projects (150 billion won), and \$120 million for cooperation in science and technology (120 billion won). None of this is yet approved or funded; Chung demanded that the national assembly be consulted first.

A still larger total of 3.32 trillion won will go to boost electric power in North Korea, but only if the nuclear issue is resolved. If it is, Seoul will spend 68 billion won on a geological survey and blueprints in 2006; 1.65 trillion won on supply lines, substations and transformers in 2007 and 2008; and 1.6 trillion won on electricity generation and supply in 2009 and 2010.

The inter-Korean chasm widens

Less publicized figures from the ROK's National Statistical Office (NSO) in December quantified the vast and ever widening economic chasm between the two Koreas. In 2004, the South's gross national income (GNI) reached \$681 billion, 32 times the North's \$21 billion. The per capita gap was narrower (the South has twice as many people), but still striking: \$14,162 vs. \$914. In trade, the difference is staggering: the ROK's \$478 billion was 167 times the DPRK's \$2.86 billion. Still further apart were oil imports: the South's 826 million barrels trumping the North's 3.9 million by over 200-fold. Even in the long term, one can only wonder whether meaningful reunification will ever be feasible.

Food for thought

Though not directly involved, South Korea had literal food for thought as it became clear that the DPRK would carry out its threat to ask the UN World Food Program (WFP) and others to cease humanitarian aid from the end of 2005. By general consent, what made this closure possible was not only a better harvest than usual, but also the DPRK's receipt of substantial non-WFP food aid with fewer strings attached. The ROK sent 500,000 tons of rice and 300,000 tons of fertilizer in 2005; Chinese aid is thought to be on a similar scale.

Seoul insists it does monitor what it gives, but in truth this is perfunctory. Richard Ragan, who heads WFP's DPRK operation (or what is left of it), said on Jan. 6 that whereas ROK monitoring will double from 10 visits in 2005 to 20 in 2006, WFP by contrast used to mount 300-500 local inspections every month, covering 35,000 kilometers.

Human rights and wrongs

North Korea's human rights record remained a bone of contention: not between Seoul and Pyongyang – both prefer not to discuss this – but rather dividing South Korea from the U.S. and other Western allies. On Nov. 17, the ROK was among 62 member states to abstain when, for the first time ever, the UN General Assembly passed a resolution critical of DPRK human rights abuses, sponsored by the European Union, by 84 votes to 22. North Korea angrily dismissed this as “no more than barking of a dog at the moon.”

Similar embarrassment was seen in December when Freedom House, a Washington-based NGO, held a major conference in Seoul funded under the North Korea Human Rights Act (NKHRA) passed by the U.S. Congress in 2004. Attendees included the U.S. special envoy for DPRK human rights appointed under the NKHRA, Jay Lefkowitz, who was introduced by the new U.S. ambassador in Seoul, Alexander Vershbow. The ROK government kept its distance. In a typical view, Chung Eui-yong of the ruling Uri party, chairman of the National Assembly's Foreign Relations Committee, said that while Seoul did link aid to human rights, it “has no reason to officially confirm” this, nor to “unnecessarily provoke” Pyongyang.

Forging peace, or greenbacks?

As it turned out Pyongyang (and Seoul) were less provoked over human rights, a familiar bugbear, than by a new curveball from Washington: its sudden emphasis on North Korea's long-known counterfeiting, drug trafficking, and other crimes. Deplorable as these are, they have been going on for years. South Korea was not alone in wondering why the U.S. chose a delicate juncture in the on-off Six-Party Talks to abruptly introduce this new theme, with Ambassador Vershbow roundly calling the DPRK “a criminal regime.” All too predictably, the result was to give North Korea a new cause for high dudgeon and a fresh excuse to take its bat home. Pyongyang currently refuses to return to the Six-Party Talks unless U.S. sanctions imposed in this regard are lifted, so we are back to stalemate for the time being.

Such tactical niceties are distinct from a less worthy reaction in Seoul, also too often seen over DPRK human rights; namely professing skepticism about the facts and demanding more proof. On both oppression and crime, there is evidence aplenty, so a “three monkeys” posture of turning a blind eye is untenable, and merely makes the ROK look craven or sly.

***Eminence grise* takes the helm in Seoul**

Although occurring in 2006 rather than 2005, it would be perverse not to record that South Korea begins the new year with a new person in charge of inter-Korean relations. In an episode that shows the relative priority of politics and policy in Seoul, Chung Dong-young, the smooth ex-TV news anchor appointed unification minister in June 2004 with no prior experience of either Cabinet office or North Korea, told President Roh on Dec. 27 that he will resign, which he did Dec. 30, and return to the ruling Uri party. Chung is favored to be elected Uri leader at its convention Feb. 18, and hopes in due course to be nominated as its candidate in the next presidential election due in December 2007 (Roh cannot run again). Chung's impromptu meeting with Kim Jong-il in Pyongyang last June did his campaign no harm. Yet he is seen as the

moderate candidate; his main rival is Kim Geun-tae, an ex-dissident who similarly resigned as health and welfare minister to re-enter the political fray.

The long expected mini-reshuffle that followed on Jan. 2 saw – as widely predicted – Lee Jong-seok appointed as the new ROK unification minister. Despite his lowly sounding title as deputy chief of the National Security Council, Lee – an academic expert on North Korea – has been Roh Moo-hyun's *eminence grise*, not only on the DPRK but on security and overall foreign policy. His power was evident two years ago, when Foreign Minister Yoon Young-kwan was forced to resign over his failure to control jibes by senior Foreign Ministry officials against so-called “Taliban” in the Roh administration, whose anti-U.S. instincts and alleged sympathy for Pyongyang these career diplomats viewed as naïve and damaging to the U.S.-ROK alliance. Such circles regard Lee Jong-seok as heading the “Taliban” tendency.

Lee's promotion may thus cause anxiety in Washington, especially with North Korea again refusing to return to Six-Party Talks. A more sanguine view is that at least Lee is now out in the open, and in an area matching his expertise. Initially he will chair the NSC's standing committee, but this structure is soon to be replaced by a new Office for Security Policy Planning within the Blue House. Either way, both strategic and tactical arguments on how to handle what Chung Dong-young once strikingly called a brother and an ally – North Korea and the U.S. – will continue. While much hinges on what balance Seoul strikes, the fact that in under two years South Koreans may rebuff Uri and elect a conservative president – the opposition GNP is currently far ahead in the polls – might make Kim Jong-il ponder the merits of being more pliable while the going is good.

Chronology of North Korea-South Korea Relations October-December 2005

October: Along with foreign tourists, 7,203 South Koreans fly to Pyongyang on nearly 100 direct flights from Seoul during October for one-night tours to see the Arirang mass games.

Oct. 1, 2005: The ROK repatriates via Panmunjom the body of Chung Song-taek, a North Korean spy who served 31 years in Southern jails until 1989. He died of cancer Sept. 29, age 84. This is the first such inter-Korean repatriation of remains.

Oct. 1, 2005: The first jointly managed inter-Korean venture is inaugurated in Pyongyang, with \$5 million each from the ROK's Andong Hemp and the DPRK's Saebyol. Pyongyang Hemp Textile Co plans to grow hemp in 8 Northern provinces and hire 172,000 workers on farms and in textile and paper plants. 170 businesspeople fly in from Seoul for the opening, followed by the first Northern investor relations seminar for Southern companies.

Oct. 2, 2005: ROK Foreign Minister Ban Ki-moon clarifies that any future provision of a light water reactor (LWR) to the DPRK would not be an extension of the project by KEDO (Korea Peninsula Energy Development Organization).

Oct. 5, 2005: Kim Yoon-kyu, dismissed in August as chief executive officer of Hyundai Asan, is sacked as vice chairman of Hyundai.

Oct. 5-7, 2005: A meeting in Kaesong agrees procedures for family reunions via video-link.

Oct. 6, 2005: Park Geun-hye, leader of the ROK's opposition GNP, says she opposes repatriating some 28 former DPRK spies unless the North also releases about 540 Southern POWs and 480 civilian abductees whom it is believed to be holding.

Oct. 6, 2005: MOU denies media reports that state funds for inter-Korean cooperation, totaling \$500,000, were among monies allegedly embezzled by Kim Yoon-kyu. But it confirms a claim by Lee Hahn-koo, a lawmaker of the GNP, that Hyundai received a total of 140 billion won (\$130 million, then) since 2003.

Oct. 7, 2005: Jacques Rogge, president of the International Olympic Committee (IOC), says the two Koreas hope to field a unified team at the 2008 Beijing Olympics.

Oct. 10, 2005: Hwang Seon, a Southern unification activist visiting for the Arirang show, gives birth to a baby girl in Pyongyang: the first South Korean to be born in the North.

Oct. 11, 2005: ROK Vice Unification Minister Rhee Bong-jo says a contract signed in 2000 by Hyundai, granting it exclusive rights to seven business fields in the North, remains valid.

Oct. 12, 2005: Vice Minister Rhee says the North has for the first time agreed to discuss an agenda in advance for the next inter-Korean economic meeting. Working-level talks will be held in Kaesong next week. Rhee also says the ROK has formed a task force to draw up a roadmap for comprehensive economic cooperation with the DPRK.

Oct. 13, 2005: The GNP proposes an inter-Korean special economic zone, to include Haeju and Kaesong in the North and with Paju in the South as its hub. It criticizes the ROK government for not raising human rights and other sensitive topics with the DPRK.

Oct. 13, 2005: MOU reveals that Seoul has formally proposed building more inter-Korean industrial zones like Kaesong, but that Pyongyang has yet to offer any response.

Oct. 14, 2005: ROK Prosecutor General Kim Jong-bin resigns in protest after Chun Jung-bae, the justice minister, in an unprecedented intervention, forbids the prosecution to detain sociologist Kang Jeong-koo while investigating him for alleged pro-North views.

Oct. 18, 2005: After 18 years, South Korea completes its \$380 million Peace Dam on the upper Han River. This is now seen as guarding against the collapse of the North's Imnam dam upstream, rather than any deliberate bid to flood Seoul as originally conceived.

Oct. 20, 2005: The Forum for Inter-Korean Relations, a coalition of ROK NGOs, says that most of the 1,000-odd Southern firms to have done business with the North have given up or gone bankrupt. FIKR calls on Seoul to take the initiative in future over business dealings with Pyongyang, and to insist that Hyundai's rights be restored.

Oct. 20, 2005: The North's Korea Asia-Pacific Peace Committee calls for Kim Yoon-kyu's reinstatement, accuses Hyundai of "improper behavior," blames the GNP for interfering, says it will seek other partners for tourism to Kaesong, and threatens to review and "readjust" all undertakings with Hyundai.

Oct. 20, 2005: ROK forms a nine-member civilian team – four accountants, three from NGOs, and two academics – to monitor transparency in spending inter-Korean funds.

Oct. 23-31, 2005: ROK inspectors monitor distribution of the South's rice aid at two sites in Wonsan on Oct. 23, and two places in Nampo on Oct. 31.

Oct. 28, 2005: The 11th meeting of the Inter-Korean Economic Cooperation Promotion Committee (ECPC) is held at the new Office of Inter-Korean Economic Cooperation in the Kaesong industrial complex. Despite prior working-level consultations Oct. 17, 20-21 and 25-26, no concrete progress is made and no date is set to meet again.

Nov. 1, 2005: A GNP lawmaker reveals an MOU blueprint to invest 5.25 trillion won in restoring the North's economy through 2010, if the nuclear issue is resolved.

Nov. 1, 2005: In Macau for the fourth East Asian Games, North and South Korean sports delegations agree to field a unified team for the 2006 Asian Games in Doha, Qatar and the 2008 Beijing Olympics. Details will be thrashed out at a meeting in Kaesong Dec. 7.

Nov. 5-10, 2005: The 12th separated family reunions since 2000 are held at Mt. Kumgang. A total of 589 South Koreans and 323 Northerners participate.

Nov. 16, 2005: The U.S. Department of Commerce grants KT (Korea Telecom) an export license for materials it needs to launch a telecom service in the Kaesong industrial zone.

Nov. 17, 2005: ROK is one of 62 member states to abstain when the UN General Assembly passes by 84-22 an EU-sponsored resolution critical of DPRK human rights.

Nov. 17, 2005: ROK Inter-Korean Exchange and Cooperation Promotion Committee approves supply of 60,000 tons of coal to Kaesong city from now until February.

Nov. 21, 2005: ROK National Assembly passes MOU's amendments to the 1990 Act on Inter-Korean Exchange and Cooperation, easing regulations for visiting the DPRK.

Nov. 24-25, 2005: A second round of video-link reunions is held, briefly connecting 40 families from each side.

Nov. 26-28, 2005: Ten ROK inspectors go North to monitor distribution of the South's rice aid. Five leave for Heungnam on Nov. 26, and another five for Nampo on Nov. 28.

Nov. 28, 2005: MOU says that some 1,130 North Koreans reached the South this year so far, bringing the total of defectors to 7,430. Supporting them costs \$50 million annually.

Dec. 7, 2005: Talks at Kaesong on forming a unified Korean team for the 2006 Doha Asian Games and the 2008 Beijing Olympics fail. They will meet again in February.

Dec. 7, 2005: New U.S. Ambassador Alexander Vershbow characterizes North Korea as "a criminal regime." ROK Foreign Minister Ban Ki-moon urges linguistic sensitivity.

Dec. 8-11, 2005: Freedom House, a U.S. NGO given U.S. government funds for that purpose, sponsors a major conference in Seoul on North Korean human rights. Attendees include U.S. special envoy Jay Lefkowitz. The ROK government keeps its distance, but is accused by delegates of perpetuating DPRK abuses by its silence.

Dec. 8-9, 2005: A third video reunion briefly links 151 South Koreans from 40 families with 104 Northern relatives, while 133 Northerners see 173 of their Southern kin.

Dec. 9, 2005: Minister Chung visits the Kaesong industrial zone, with four of his predecessors and a 57-strong business delegation.

Dec. 13, 2005: MOU and Hyundai Asan announce a \$4.8 million subsidy, which will allow up to 16,000 schoolteachers and pupils to visit Mt. Kumgang over the holidays.

Dec. 13-16, 2005: The 17th North-South ministerial talks are held in the ROK's island province of Jeju. An eight-point joint press statement breaks little new ground.

Dec. 14, 2005: ROK Vice Unification Minister Lee Jong-bo attends ceremony in Jeju to mark the province's shipping 10,000 tons of tangerines and carrots to the DPRK.

Dec. 17, 2005: In the first ever such case, the ROK allows a 2,000-ton DPRK oil tanker to shelter from heavy seas at an islet port north of Jeju.

Dec. 18, 2005: The ROK Construction Ministry says it will increase imports of Northern sand from 3.5 million cu. m in 2005 to 6 million cu. m in 2006, and extend the source of supplies from rivers near Kaesong to include the east coast.

Dec. 20, 2005: A survey on Dec. 6-7 shows 47 percent of South Koreans approve the current level of aid to the North. 18 percent want this increased, 26 percent want it cut, and 7 percent want it to stop.

Dec. 22, 2005: Some 50 officials from each side attend the opening of the Kaesong office of the DPRK's General Guidance Bureau for central special economic zone development (GGB). The office's 30-odd staff will deal with labor provision, tax and other issues.

Dec. 27, 2005: ROK driver hits three Korean People's Army (KPA) soldiers at Mt. Kumgang, killing one. The DPRK hands him over to ROK authorities for prosecution.

Dec. 27, 2005: ROK buys land and signs a contract to build a \$19 million training center in the Kaesong industrial zone (KIZ). When completed a year hence, this will train up to 30,000 DPRK workers annually in 30 lecture rooms and 57 "exercise rooms."

Dec. 28, 2005: ROK Information and Communications Minister Chin Dae-je is one of 340 guests attending KT's opening ceremony to launch telecom services in KIZ.

Dec. 30, 2005: Minister Chung tenders resignation to President Roh Moo-hyun.

Jan. 2, 2006: President Roh appoints Lee Jong-seok, long influential as deputy chief of the National Security Council, as the new unification minister.

