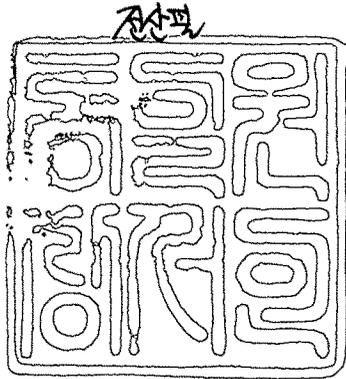


96-0-609

# PEACE AND COOPERATION

White Paper on Korean Unification

342911 (3109)  
M665P



2609  
23cm



# **PEACE AND COOPERATION**

**White Paper on Korean Unification**

**1996**

**Ministry of National Unification  
Republic of Korea**

**PEACE AND  
COOPERATION**

*Copyright © 1996*

*by Ministry of National Unification*

Published in 1996

by Ministry of National Unification

Republic of Korea

Tel. (02) 725-0763, 723-4867

All rights reserved. No part of this book  
may be reproduced in any form, except for  
brief quotations for a review, without written  
permission of the publisher.

Book Design by CHUNG DESIGN

Printed in Korea by Seoul Computer Press

## PREFACE

Half a century has already passed since the Korean peninsula was divided into two. The feelings of severance and hostility between the South and the North stemming from the national division have caused great pain and loss to Koreans, who had lived in a single unified nation for over 1,300 years.

Korea was divided into two parts against the will of its people. The division was a by-product of the Cold War which rapidly escalated during the post-World War II era.

As we stand on the doorsteps of the 21st century, it seems clear that the international environment that caused the division in the past has now remarkably changed. With the demise of the Cold War that had been characterized by confrontation between states, the international community today is marching into a new era of reconciliation and cooperation. In addition, two other nations which had been divided for decades, Germany and Yemen, have already achieved their unifications.

This new environment provides both hope and a task for Koreans, whose country now remains the last divided nation of this century that still suffers from the confrontation and conflict of the Cold War. To Koreans, therefore, unification is no longer a matter of sentiment; it has become a task to be carried out in the present reality.

Though intra-Korean relations have yet to come out of the tunnel of darkness, I firmly believe that our desire to open a new era of reconciliation and cooperation on the Korean peninsula and to achieve unification through independent, peaceful, and democratic means will be fulfilled in the near future. As a direct party to the Korean question, we will do our best to pioneer the future of the Korean peninsula.

The Republic of Korea wishes to accomplish unification through the cooperation with the international community. We wish to create a unified Korea that contributes to the peace and prosperity of the world. The unified Korea would respect such universal values as liberty, human rights, welfare, and market economics. For these reasons, we would like to call our unification process the “unification *with* the world.”

Included in this White Paper are the historical background of the division of Korea, the description of South Korea’s unification formula, and the contents of the major unification policies implemented by the government of the Republic of Korea. In addition, the details and current status of intra-Korean dialogue and exchanges of people and commodities are also presented.

This White Paper will enable you to trace the efforts our government has made to achieve the unification during the

last half a century. Furthermore, it will also help you to make an informed comparison between the two different approaches to unification by South and North Korea.

I hope that this book will help general readers as well as students of the Korean question to expand their understanding of the division and unification of the Korean peninsula.

December 1996

**O-kie Kwon**

*Deputy Prime Minister  
and Minister of National Unification*



# CONTENTS

<b>PREFACE</b> —————	v
<b>TABLES AND FIGURES</b> —————	xiii
<b>ABBREVIATION</b> —————	xiv

## I

---

### HISTORICAL OVERVIEW

<b>1. History of the Division of Korea</b> —————	3
1— Geography and History of Korea	3
2— Division of Korea	5
3— The Korean War and Geneva Conference	11
4— The Cold War and Intra-Korean Relations	15
5— Intra-Korean Relations in the Post- Cold War Era	19
<b>2. The Current Status of Intra-Korean Relations</b> —————	24
<b>3. Intra-Korean Relations in the Regional Context</b> —————	28

## II

---

### IMPLEMENTATION OF UNIFICATION POLICY

<b>1. Process of Implementation</b> —————	37
<b>2. Korean National Community Unification Formula</b> —————	44
1— Background	44
2— Contents	46
3— The Main Philosophies and Major Features	51

### **3. The Kim Young-sam Administration's Policy**

<b>Toward North Korea</b>	55
1— The Four-party Talks	55
2— The Light-Water Reactor Project	59
3— The Expansion of Intra-Korean Exchanges and Cooperation	61
4— Food Assistance	63

---

## **III**

---

### **THE UNIFICATION POLICY OF NORTH KOREA**

<b>1. The Basis of the North Korean Unification Policy</b>	67
<b>2. North Korea's Strategies for Unification</b>	70
<b>3. Changes in the Confederation Formula</b>	74
1— Changes in North Korea's Formula Over Time	75
2— Contradictions in the North Korean Proposition	78

---

## **IV**

---

### **INTRA-KOREAN DIALOGUE**

<b>1. Progress of Dialogue</b>	83
1— Overview	83
2— Intra-Korean Dialogue in the 1970's	86
3— Intra-Korean Dialogue in the 1980's	89
4— Intra-Korean Dialogue in the 1990's	96
<b>2. The Kim Young-sam Administration's Efforts to Promote Intra-Korean Dialogue</b>	108
1— Working-level Meetings for the Exchange of Special Envoys	108
2— Preparation for an Intra-Korean Summit	110
3— The Beijing Conference	113

## V

---



---

**THE LIGHT- WATER REACTOR PROJECT**

<b>1. The Agreed Framework</b>	121
<b>2. Implementation of the Agreed Framework</b>	123
1— The Korean Peninsula Energy Development Organization	124
2— The LWR Talks Between the KEDO and the North	125
3— The LWR Project Site Survey	130
4— The Preparation of the Prime Contract	132
5— The Site Preparation Work	132
<b>3. The Significance and Tasks of the LWR Project</b>	133

## VI

---



---

**INTRA-KOREAN EXCHANGES AND COOPERATION**

<b>1. Overview</b>	137
<b>2. The Institutionalization of Intra-Korean Exchanges and Cooperation</b>	139
1— Laws on Intra-Korean Trade	139
2— The Intra-Korean Cooperation Fund Act	143
<b>3. The Current Status of Intra-Korean Exchanges and Cooperation</b>	144
1— Exchange of People	144
2— Intra-Korean Trade	149
3— Intra-Korean Cooperation Projects	158
4— Humanitarian Projects	160

## VII

---

---

**PROSPECTS ON THE FUTURE**

<b>1. Changes in Environment</b>	167
1—Favorable Factors	168
2—Adverse Factors	172
<b>2. Prospects for Unification</b>	176
<b>APPENDIX</b>	181
The Major Documents on Intra-Korean Relations	181
The Major Developments In Intra-Korean Relations	250
<b>INDEX</b>	257

## TABLES AND FIGURES

<b>Table 2-1</b>	The History of South Korea's Unification Policy	42
<b>Table 2-2</b>	Comparison Between the Unification Formulas of South and North Korea	54
<b>Table 4-1</b>	The Main Meetings of the High-level Talks	97
<b>Table 4-2</b>	An Overview of Intra-Korean Athletic Talks	103
<b>Table 4-3</b>	Formation of A Single Korean Team	106
<b>Table 6-1</b>	Current Status of Intra Korean Cross-visits in Each Field	146
<b>Table 6-2</b>	Current Status of Application for Intra-Korean Contacts	148
<b>Table 6-3</b>	Status of Intra-Korean Imports and Exports in Recent Years	150
<b>Table 6-4</b>	Composition of South Korea's Imports in Intra-Korean Trade	152
<b>Table 6-5</b>	Composition of South Korea's Exports in Intra-Korean Trade	153
<b>Table 6-6</b>	Approval of Processing Trade	157
<b>Table 6-7</b>	Status of Separated Family Exchanges	162
<b>Figure 2-1</b>	Process of Unification	49
<b>Figure 2-2</b>	Goal of Unification	50

## ABBREVIATION

**Agreed Framework**— Agreed Framework between the United States of America and the Democratic People's Republic of Korea

**ARMISTICE AGREEMENT** — Agreement between the Commander-in-chief, United Nations Command, on the one hand, and the Supreme Commander of the Korean People's Army and the Commander of the Chinese People's Volunteers, on the other hand, Concerning a Military Armistice in Korea

**Basic Agreement** — The Agreement on Reconciliation, Non- aggression and Exchanges and Cooperation between the South and the North

**July 7 Declaration** — The Special Presidential Declaration for National Self-Esteem, Unification, and Prosperity

**DMZ** — Demilitarized Zone

**DPRK** — Democratic People's Republic of Korea

**KEDO** — Korean Peninsula Energy Development Organization

**KNCU Formula** — Korean National Community Unification Formula

**KNRC** — National Red Cross of the Republic of Korea

**KOC** — Korean Olympic Committee

**IAEA** — International Atomic Energy Agency

**LWR** — Light-Water Reactor

**MAC** — The Military Armistice Commission

**NKOC** — North Korean Olympic Committee

**NPT** — Nuclear Non-proliferation Treaty

**RCSNK** — Red Cross Society of the Democratic People's Republic of  
Korea

**ROK** — Republic of Korea

**SUPPLY AGREEMENT** — Agreement on Supply of A Light-Water  
Reactor Project to the Democratic People's Republic of Korea  
between the Korean Peninsula Energy Development Organiza-  
tion and the Government of the Democratic People's Republic of  
Korea

**UNCURK** — The United Nations Commission for the Unificaton and  
Rehabilitation of Korea

**UNTCOK** — The United Nations Temporary Commission on Korea

**WFP** — World Food Program

**WMO** — World Meteorological Organization



# **PEACE AND COOPERATION**

**White Paper on Korean Unification**



# I

---

---

## HISTORICAL OVERVIEW



# 1. History of the Division of Korea

## 1— Geography and History of Korea

Protruding into the Pacific at the northeastern tip of the Asian continent, the territory of Korea consists of the Korean peninsula and its adjunctive islands. The peninsula faces Japan across the East Sea in the east and the Korean Strait in the south. In the west and the north, the Yellow Sea and two rivers, the *Amnok* (Yalu) and the *Tuman* (Tumen), make the natural borders between Korea and its neighbors, continental China and Russian Siberia. The total area of the Korean peninsula is 222,154 sq. km. The peninsula runs about 1,100 km from north to south with a maximum width of 320 km and a minimum of 200 km.

The first tribal state on the Korean peninsula was a theocratic kingdom known as *Kochosŏn* or the Ancient Chosŏn which was founded in 2,333 B.C. This date marks the beginning of over 4,300 years of Korean history. After the rise and fall of various tribal states, the Era of the Three Kingdoms began by the early first century B.C. The three major states that sustained a power balance dur-

ing this period were *Koguryŏ* (founded in 37 B.C.), *Paekche* (founded in 18 B.C.), and *Shilla* (founded in 57 B.C.). By A.D. 676, *Shilla* finally defeated the other two kingdoms and created the first unified Korean nation in the history of the peninsula. Afterwards, Korea remained unified for about 1,300 years through the successive reigns of the *Koryŏ* (founded A.D. 918) and the *Chosŏn* (or *Yi*, founded in A.D. 1392) dynasties. Sharing a single culture, tradition, language, and set of beliefs, the Koreans had developed a unique national culture throughout this period. Furthermore, in spite of countless aggressions by various foreign invaders, they were able to preserve national independence for over a thousand years.

At the end of 19th century, however, the Koreans failed to adapt to the new global wave of industrialization. As a result, they lost the chance to build a modern nation-state and suffered the consequences. At the turn of the century the great powers were competing fiercely amongst themselves to exercise influence over the Korean peninsula. Among them was Japan, which had just completed transforming itself into a modern nation through the *Meiji* Restoration of 1867. Having succeeded in developing its economic and military might, Japan made plans to take over the Korean peninsula. After winning the Sino-Japanese War of 1894-95 and the Russo-Japanese War of 1904-5, it finally annexed Korea by force in 1910.

Under the Japanese rule the Koreans continued their struggle for independence. *The March First Movement*, a nationwide, non-violent uprising against the colonial government, was the highlight of Korean people's efforts for independence. Later, a more organized movement for independence was led by the Provisional Government in Shanghai. In spite of brutal suppression by the Japanese

authorities, the Koreans continued their struggle for independence until the end of World War II when Japan surrendered unconditionally to the Allies in August 1945. As a result, Korea finally regained its independence after thirty five years of colonial oppression.

## 2 — Division of Korea

### *The Partitioning of the Peninsula by the United States and the Soviet Union*

The issue of Korean independence was first introduced in the international arena in the middle of World War II, when in 1943 the Allies began discussions on world peace in the post-war era. In particular, the issue was brought up by the United States while discussing matters regarding the former Japanese colonies in Asia.

On March 3, 1943, President Franklin D. Roosevelt and Secretary of State Cordell Hull of the United States met with British Foreign Minister Anthony Eden to discuss the future of Manchuria, Taiwan, Korea, and Indo-China. At the meeting, President Roosevelt proposed that Manchuria and Taiwan be returned to China while Korea and Indo-China be placed under the trusteeship of the United States, China, and the Soviet Union.

Subsequently, the Korean issue was discussed at the successive meetings held among the Allies to deal with the post-war aftermath: the Cairo Conference and the Teheran Conference, in November 1943, the Yalta Conference in February 1945, and the Potsdam Conference in July 1945. At Cairo, the Allies issued a declaration which stated that “in due course Korea shall become free and independent.” Later, at Teheran, an argument that Korea should be

placed under trusteeship prior to being granted independence was put forward. The issue of trusteeship was further discussed at the Yalta Conference. There the Allies also determined that the Soviet Union should join the other nations in the war against Japan.

At the Potsdam meeting held shortly before the end of the war, the Allies reaffirmed the Cairo Declaration that Korea would be given freedom and independence "in due course." Nevertheless, the Allies' discussion of the Korean issue did not include any agreed details except for a general understanding that Korea would be placed under the trusteeship of the United States, Great Britain, China, and the Soviet Union before being given complete independence.

On August 6, 1945, the United States dropped an atomic bomb on Hiroshima, Japan. The Soviet Union declared war against Japan on August 8 and began moving into Manchuria and the Korean peninsula. On that same day, the United States dropped the second atomic bomb on Nagasaki, Japan. Finally, Japan agreed to an unconditional surrender to the Allies on August 15.

On September 2, General Douglas MacArthur, the Supreme Commander of the Allied Forces in the Pacific, issued General Order No. 1, which stated that the acceptance of the surrender and the disarming of the Japanese troops would be carried out by the Soviet Union in the north of the 38th parallel and by the United States in the south of it. Therefore, it was clear that the 38th parallel was merely meant to be a temporary boundary to be used by the two powers for the military purpose of dealing with the surrendering Japanese troops.

Unfortunately, the United States and the Soviet Union had fundamentally different plans regarding the fate of the peninsula once

they moved into the southern and the northern half of Korea, respectively. These differences arose from the discrepancies in their national interests and international strategies. From the beginning, the Soviet Union had stipulated the political aspect of the 38th parallel. The Soviets hurried to transform the northern half of the peninsula into a communist state. The United States, on the other hand, had only seen the military aspect of the situation. The Americans were mainly concerned with the completion of the Japanese surrender. Once that process was completed, they planned to establish a single government on the Korean peninsula.

### ***The Moscow Conference***

While the differences in the Soviet and American policies were gradually consolidating the division of the Korean peninsula, the foreign ministers of the United States, Great Britain, and the Soviet Union met in Moscow on December 16, 1945. At this conference, the three ministers announced the Moscow Protocol on Korea which contained the following four points: (i) The Korean peninsula would be placed under the trusteeship of the United States, Great Britain, China, and the Soviet Union for a maximum length of five years; (ii) An interim government with a uniform administrative authority over the entire Korean peninsula would be established; (iii) The Joint US-USSR Commission would be established to support the interim government through consultation with democratic political parties and social organizations; and (iv) The Joint US-USSR Commission, with the participation of the interim government and democratic organizations, would prepare plans to achieve political, economic, social, and cultural development as well as the indepen-

dence of the Korean people and report the progress to the Trusteeship Council composed of the four powers.

That the placement of trusteeship was officially decided at the Moscow Conference was a shocking news to all Koreans, who had yearned to establish their own independent government. Soon a tide of anti-trusteeship protest swept across the country.

A few days later, however, the communists in the North and the leftists in the South suddenly changed their position, apparently under an instruction from Moscow. They publically announced their support for the trusteeship. The Soviets and the Korean communists in the North were convinced that they could easily communize the peninsula once the trusteeship took effect.

### ***The Joint US-USSR Commission***

The representatives of the US and Soviet armies met in Seoul from January 16 to February 5, 1946. In the same year, the first meeting of the Joint US-USSR Commission was also held in Seoul from March 20 to May 8, which was followed by the second meeting which convened on May 21 one year later.

The Joint Commission, however, ended in failure due to the Soviet demand for exclusion of anti-trusteeship organizations from the interim government. They insisted that only those organizations that supported the trusteeship be allowed to participate in the formation of the government. This meant that only the communists and their sympathizers would be eligible to take part in the process. After numerous confrontations and conflicts, the Joint Commission was finally dissolved on October 18, 1947.

### ***The United Nations Temporary Commission on Korea (UNTCOK)***

When its attempt to resolve the Korean question through the Joint US-USSR Commission failed, the United States decided to refer the issue to the United Nations. Being convinced by then that submission to the United Nations was the only way to resolve the Korean question, the United States submitted it to the General Assembly on September 17, 1947.

Subsequently, on November 14, the General Assembly adopted its first resolution on the Korean question. The resolution stated that (i) The United Nations Temporary Commission on Korea (UNTCOK) would be established to oversee a fair election throughout Korea, (ii) A general election according to population ratio would be held in Korea prior to March 31, 1948, under the observation of the UNTCOK; the election would be based on universal suffrage and secret ballot, (iii) The government and National Assembly would be formed as quickly as possible after the election, and (iv) The foreign troops would withdraw from the peninsula within 90 days after the formation of the government.

On January 8, 1948, the UNTCOK arrived in Seoul and began its activities. However, the Soviet military authorities that were occupying the north refused the commission's entry into the region under their control. The United Nations' effort to establish a unified Korean government, therefore, ended in failure due to Soviet interference.

### ***Birth of the ROK and the DPRK***

Having realized the sad reality that the establishment of a single

government would be next to impossible at that time, the United Nations convened a committee meeting and decided to postpone the election in the North until it would become feasible while holding an election within the area accessible to the UNTCOK. Subsequently, under the monitoring of the United Nations a general election was held in the South on May 10, 1948, and, as a result, the Constitutional Assembly was formed. On July 17, the Assembly promulgated the constitution and elected Dr. Syngman Rhee the first president of the new republic. With the new president, the government of the Republic of Korea (ROK) was formally inaugurated on August 15, 1948. In the meantime, however, the North, under the Soviet guidance, had already established a Soviet-style political structure that functioned as an independent government.

After the breakup of the Joint US-USSR Commission, the United Nations passed the resolution for the establishment of the UNTCOK and a general election in Korea. Consequently, the North refused the entry of the UNTCOK and hurried to inaugurate the Democratic People's Republic of Korea (DPRK). In April 1948, the North Korean People's Congress adopted a draft for the constitution. Following the communist agenda, the North quickly organized the North Korean Workers' Party and North Korean People's Assembly. The North Korean People's Army had already been founded on February 8, 1948. On August 25, 1948, North Korea held an election for the Supreme People's Assembly and officially announced the Constitution of the Democratic People's Republic of Korea on September 8. The DPRK government was inaugurated on September 9 with Kim Il-sung as its head.

With the birth of two separate governments, the division of the Korean peninsula had become an undeniable reality. Nonetheless,

the United Nations recognized the ROK government which was established under a UN resolution as the sole legitimate sovereignty on the peninsula. At its third meeting, the UN General Assembly adopted a resolution to invite ROK delegation to a UN committee meeting. Consequently, the ROK government was able to dispatch a delegation to the United Nations for the first time in the country's history. On December 12, the General Assembly adopted, by a vote of 48 to 6 with 1 abstention, General Assembly Resolution No. 195 which reaffirmed that the ROK was the sole legitimate government on the Korean peninsula. Soon after, the United States and many other nations in the free world also recognized the ROK government, giving the ROK the endorsement of the international community.

### **3 — The Korean War and Geneva Conference**

#### ***The Outbreak and Development***

Well before the birth of two governments on the peninsula, the communists in the North, with strong support from the Soviet Union, had begun planning for the communization of the entire peninsula by means of military force. Subsequently, the North Koreans organized the People's Army and continued their military build-up thereafter.

In South Korea, however, efforts to reinforce the national defense met with various difficulties due to political confusion, the weak economy, and the reluctant support of the United States. Furthermore, the announcement of the complete withdrawal of US forces from South Korea by the end of June 1949 and the emergence of a

communist regime in the continental China in October 1949, became an overwhelming concern for the South Koreans. On January 12, 1950, the U.S. Secretary of State Dean Acheson stated before the National Press Club in Washington D.C. that the American defence perimeter in the Pacific would no longer includes the Korean peninsula. This further encouraged the North Korean communists to lay out their scheme for military invasion.

Heavily armed with Soviet tanks and jet fighters, the North Korean forces unleashed a surprise full-front attack on the South in June 25. Seoul, the capital of South Korea, fell into the communists' hands within three days after of outbreak of the war. The North Korean forces continued to advance southward and occupied almost the entire area of South Korea within two months.

### ***Entry of the UN Forces***

Upon the outbreak of the Korean War, the United Nations immediately convened the Security Council, which adopted a resolution that defined the North Korean invasion as an act of aggression to destroy peace. The resolution also urged the North Korean communists to stop their hostile actions and demanded them to withdraw back to north of the 38th parallel. North Korea, however, ignored the UN resolution and continued its aggression. The Security Council called upon the members of the United Nations to furnish the Republic of Korea with the assistance needed to repel the armed attack by North Korea and to restore world peace and security. Responding to the call, a total of sixteen countries including, the United States dispatched their forces to form the United Nations Forces to fight in the Korean War. The UN Forces fought side by

side with the ROK army and, by around October 25, they had forced the communists to retreat to the border town of *Chosan* along the *Yalu* River. It seemed that the unification of the country was clearly within sight.

### ***The Armistice Agreement***

The situation began to change, however, with the entry of Red Chinese forces that came to North Korea's assistance. Thereafter, fierce fighting between the two sides continued and eventually the war came to a complete stalemate. Talks on a truce began on July 10, 1951 and finally an armistice agreement was signed on July 27, 1953. The three-year war was thus brought to a halt, at least for the time being.

The war completely destroyed the socio-economic foundations of both Koreas and left the entire peninsula in rubble, with a total of five million casualties on both sides. During the war, millions of North Korean residents fled to the South in search of freedom, resulting ten million Koreans being separated from their families. It also created enmity and tension within the nation and destroyed the sense of national community that had been developed over several thousand years. The mistrust between the South and the North became far more deeply entrenched. In addition, the war encouraged an arms race between the two and thus caused a distortion in the overall resource allocation. This has been proved to be a major hinderance to the development and prosperity of the entire Korean people.

The cost of the war was enormous, yet the country still remained divided. Furthermore, intra-Korean relations became characterized with more intensified hostility and mistrust.

### ***The Geneva Conference***

Article IV clause 60, of the Armistice Agreement provided that a political conference among the government representatives of all the countries that had fought in the war would be held within three months after the announcement of the Agreement in order to discuss the withdrawal of foreign forces and the peaceful settlement of the Korean question.

Pursuant to this provision, the representatives of the Republic of Korea, the United States, and the fifteen other nations that formed the UN Forces met with delegates from the Soviet Union, China, and North Korea in Geneva on April 26, 1954. At the conference, the Republic of Korea proposed to build a unified Korea through a UN-monitored general election based on the population ratio. North Korea, however, insisted on the immediate withdrawal of the UN Forces and proposed a free election under the supervision of neutral nations. The conference eventually broke down on June 15 without any result because the North Korean side refused to recognize the authority and functions of the United Nations on the Korean peninsula.

Consequently, the Allied side issued the Sixteen Nations Declaration on Korea which requested that the United Nations seek a political solution of the Korean question. Furthermore, it clearly stated that until such a solution was reached so that the danger of the recurrence of war no longer existed, the UN Forces would continue to be stationed on the Korean peninsula.

## 4 — The Cold War and Intra-Korean Relations

### *Confrontation in the United Nations*

From the end of World War II to the early 1980's the United States and the Soviet Union had been the two major axes in the international order. Nations were divided into two camps: capitalists and communists. The structure of the Cold War, which was characterized by sharp confrontation between those two camps, underpinned the international order during this period. As the Cold War in the international arena intensified, the division of Korea became further consolidated, since inter-Korean confrontation was a direct product of the global Cold War.

South and North Korea fiercely competed against each other on the international stage. In the United Nations, the tension between the two Koreas escalated around such issues as the introduction of the Korean question into the floor agenda and the application for membership. The United Nations had recognized the Republic of Korea as the sole legitimate government on the Korean peninsula at the third meeting of the General Assembly convened on December 12, 1948. Furthermore, when the Korean War broke out, the organization immediately defined North Korea as an unlawful invader. The North, however, ignored the organization's authority and function.

The North denounced the UN intervention in the Korean peninsula and insisted on the withdrawal of the UN and US forces from South Korea. The Pyongyang regime also demanded the dissolution of the United Nations Commission for the Unification and Rehabilitation of Korea (UNCURK) whose function was to assist

the peaceful unification of the Korean peninsula. However, such demands were consistently rejected by the United Nations.

By the 1970's, though, communist China and a number of Third World countries had joined the United Nations, adding weight to the North Korean side. Subsequently, the North began to demand open discussion on the floor and decision by ballot of the Korean question. As a result, owing to support from the Soviet Union, China, the East European bloc, and the Third World, a resolution on the Korean question proposed by the communist camp was adopted, for the first time in the history of the United Nations. At the 30th meeting of the General Assembly in 1975 the communist resolution stood alongside a Western resolution. The Western resolution passed along with it called for direct talks between the two Koreas in order to secure permanent peace on the peninsula. The Communist resolution, on the other hand, urged the withdrawal of foreign troops from the South, replacement of the armistice agreement with a peace treaty, and simultaneous arms reduction by the South and the North.

Furthermore, the two Koreas continuously vied against each other for membership in the United Nations: each of them made several attempts to gain membership, but each time they blocked each other. Their diplomatic battle persisted endlessly throughout the 70's and 80's.

On June 23, 1973, South Korea released the Special Foreign Policy Statement on Peace and Unification which stated that the ROK government had no intention of opposing joint membership in the United Nations. Believing that joint membership would contribute to peace and unification on the peninsula, the South urged the Pyongyang regime to simultaneously apply for UN membership.

The North, however, opposed the proposal, arguing that joint membership would make the national division permanent.

Ironically, the unification of Germany and of Yemen undermined North Korea's argument. At the same time, South Korea's position gained the overwhelming support of the international community as the country's reputation was boosted after successfully hosting the 1988 Seoul Olympics. Subsequently, on May 28, 1991, the North expressed its desire to join the United Nations in an announcement made by its Foreign Ministry. On September 17, at the 46th meeting of the General Assembly, the two Koreas were finally admitted as full members of the United Nations.

### ***Armed Conflicts and Acts of Terrorism***

Since the end of the Korean War, a military stand off between the two Koreas persisted. The North has continued to denounce the South Korean government and tried to divide and disturb its society. While the South has pursued peaceful unification through dialogue and negotiation, the North has never gave up its intention to complete the communization of the entire Korean peninsula through the means of force and violence.

After the adoption of the four point military lines in 1962, the North reinforced its military forces and dispatched spies and guerilla forces into the South to carry on various forms of espionage and terrorist activities. In January 1968, 31 North Korean guerrillas penetrated into Seoul to make a surprise attack on the Blue House, the presidential residence. On August 15, 1974, a terrorist instructed by the North attempted to assassinate President Park Chung-hee. In October 1983, seventeen senior members of the presidential

entourage, including the Deputy Prime Minister, the Minister of Foreign Affairs, and the Presidential Chief of Staff, who were accompanying President Chun Doo-hwan on his state visit to Rangoon (then Burma) were killed by the explosion of a bomb planted by a North Korean agent. In November 1987, the Seoul-bound Korean Airliner KE-858 from Baghdad exploded in mid-air, killing 115 passengers and crew members. This, too, was a tragedy staged by North Korean special agents. Between the signing of Armistice Agreement on July 27, 1953, and the end of 1993, North Korea had violated the Agreement over 410,000 times in total, including technical violations of the Armistice.

### ***Intra-Korean Talks: Efforts and Setbacks***

The international environment changed rapidly in the 1970's: communist China became a member of the United Nations in October 1971; both Sino-US and Sino-Japan relations improved; West and East Germany signed the Basic Treaty in December 1972. The world moved into an era of detente and peaceful coexistence. South and North Korea, too, began to search for a way to open a dialogue.

On August 15, 1970, the ROK government announced the Idea for Peaceful Unification and urged the Pyongyang regime to join it in a productive competition for development and prosperity of their respective countries. Subsequently, the government proposed to resolve the Korean question in an autonomous and peaceful manner through dialogue between the governments of the two countries. On August 12, 1971, the South added another dimension to its initiative by proposing talks between the National Red Cross of the Republic of Korea (KNRC) and the Red Cross Society of the North

(RCSNK) in order to deal with the humanitarian issue of the separated families.

As a result the Joint Communiqué between South and North Korea was made public on July 4, 1972. It was the first formal agreement ever signed between the two Koreas. The South-North Joint Communiqué, as it is commonly called, laid out three fundamental principles based on which Korean unification must be pursued: independent efforts, peaceful means, great national unity.

The intra-Korean dialogue continued into the 1980's in various fields, including parliamentary exchanges, trade, and sports. Though it was nothing more than a mere symbolic gesture, a cross visit of Seoul and Pyongyang by separated families took place in 1985. The Cold War still dictated international relations; and intra-Korean relations were no exception. Enmity and mistrust still lingered between the two Koreas. The talks ended in failure and the intra-Korean relations were again stained with conflict and confrontation.

## **5 — Intra-Korean Relations in the Post-Cold War Era**

### ***The Korean National Community Unification Formula***

The later half of the 1980's witnessed the slow disintegration of the Cold War regime. The new international order called for reconciliation and cooperation. The new order created a more favorable environment for Korean unification. South Korea had achieved remarkable economic development. The successful hosting of the Olympic Games further lifted the spirits of South Korean people. Subsequently, they began to realize that the confrontation between

the two Koreas must be put to an end. The unification of Germany also raised hope among the Korean people.

In a response to the changing international order and growing public demand, the ROK government drafted the Korean National Community Unification Formula (the KNCU Formula), thus laying out the guidelines in formulating policies for unification and intra-Korean relations. These policy guidelines announced on September 11, 1989, were based on the recognition of the North as a partner in unification, rather than as an enemy in confrontation. It proclaimed that with the understanding that both are integral parts of the national community, the South and the North must first work together to secure their co-existence and co-prosperity. After that, the Formula proposed, the two Koreas would complete the social, cultural, and economic integration of the two systems. Afterwards, with the completion of political integration, national unification would be achieved in the form of a single nation-state.

The KNCU formula has been further improved under the Kim Young-sam Administration and now provides for the basic philosophies, principles, and processes of the Korean unification, as well as the future of a unified Korea.

### ***The Effectuation of the Basic Agreement***

With the mutual understanding that moving away from political and military confrontation and toward mutual exchanges and cooperation was a pressing issue, the South and the North opened a series of high-level talks headed by their prime ministers. As a result, at the sixth round of high-level talks held in Pyongyang, the two sides finally came to sign on February 19, 1992, perhaps the two

most important documents in the history of intra-Korean relations: The Agreement on Reconciliation, Non-Aggression and Exchanges and Cooperation Between the South and the North (commonly known as the Basic Agreement) and the Joint Declaration of the Denuclearization of the Korean Peninsula. Those two documents laid a foundation for peaceful unification through the autonomous efforts of the two Koreas.

At this point, unfortunately, such hope seems to have been lost. With a threat to withdraw itself from the Nuclear Non-proliferation Treaty (NPT) and its continued refusal to resume intra-Korean dialogue, North Korea made South Koreans worried over Pyongyang's intention to develop nuclear capability. The Pyongyang regime also continued to ensure its efforts that the Basic Agreement remains ineffective.

### ***Simultaneous Membership in the United Nations***

After a long disagreement over applying for membership in the United Nations, the two Koreas finally agreed to join the international organization simultaneously. They became full members of the United Nations on September 17, 1991, thereby moving one step toward peaceful unification through mutual respect and trust as responsible members of the international community.

The Charter of the United Nations states that all members are to fulfil the obligations assumed by them in accordance with the Charter. In short, all members have obligations to refrain from the threat or use of force, to settle their international disputes by peaceful means, and not to intervene in matters which are within the domestic jurisdiction of any other state. They also have an obliga-

tions to participate in military or non-military assistance or sanctions that are called for by the United Nations in accordance with the Charter to maintain and restore the international peace and security. As member states, therefore, South and North Korea should refrain from the threat or use of force against each other in order to maintain peace on the Korean peninsula. In other words, the North has to give up the hostile policy against the South and look for a peaceful way to ease the tension on the peninsula.

### ***New Challenges By North Korea***

Despite the end of the Cold War and South Korea's active efforts for the implementation of a peaceful policy toward it, North Korea threatened the peace and stability of the Korean peninsula by a series of provocations, including the announcement of its intention to withdraw from the NPT, attempts to invalidate the Armistice Agreement, and numerous infiltrations into South Korea by its commandos.

On March 12, 1993, North Korea announced its refusal of a special inspection suggested by the International Atomic Energy Agency (IAEA) and revealed its intent to withdraw from the NPT. Suspicion of the international community over the North Korean nuclear development mushroomed. Subsequently, on April 1, the IAEA decided to refer the issue to the United Nations Security Council. On May 11, the Security Council urged North Korea to reconsider its position and comply with the IAEA inspection. The Council adopted a resolution that in case North Korea would not comply the United Nations would take additional measures. The North Korean nuclear crisis became a major obstacle in the improvement of the

intra-Korean relations as it escalated the tension between the two Koreas.

An additional threat to peace on the Korean peninsula came from the North Korean attempt to nullify the Armistice Agreement. The Armistice Agreement is an important device that has maintained the fragile peace on the peninsula for over forty years since the end of the Korean War. The North, however, unilaterally removed the Czechoslovakian and Polish delegates from the Neutral Nations Supervisory Commission and the Chinese representatives from the Military Armistice Commission (MAC). Instead, on May 24, 1993, the North government established the People's Army Delegation at Panmunjom (PADP) to replace those two agencies. On April 4, 1996 the PADP announced that North Korea would relinquish all of its duties entailed in the Armistice Agreement. It was a serious threat to the Armistice regime.

Furthermore, on September 18, 1996, twenty-six North Korean commandos infiltrated into the east coast of South Korea using a submarine. When this act of provocation was caught, North Korea threatened revenge on South Korea unless the submarine was returned, making an excuse that the vessel had drifted due to an engine problem while in a military exercise.

The ROK government demanded that Pyongyang should take understandable measures, including admit its guilt, apologize, and promise not to repeat such an act of provocation. North Korea's recklessness became a target of international criticism. On October 15, the United Nations Security Council adopted a Presidential Statement that expressed its "serious concern" over the incident and stressed that the armistice agreement should remain in force and that the issues between the two Koreas should be settled by peace-

ful means. The European Union also released a Declaration by the Presidency and condemned the submarine infiltration as a “new and serious violation of the 1953 armistice agreement” and urged the North Korean authorities to abide by the agreement.

The submarine infiltration clearly demonstrated the fact that North Korea was still pursuing the communization of the entire peninsula by force. Being a serious challenge to South Korea’s efforts to maintain stability and peace on the Korean peninsula, this provocative incident reminded us of the urgency of building a durable peace regime on the peninsula. Peace on the peninsula, however, would hardly be accomplished unless there is a substantial change in North Korea’s hostile policy toward South Korea.

## **2. The Current Status of Intra-Korean Relations**

Ever since two separate and ideologically different regimes were established on the Korean peninsula in 1948, the South and the North have maintained special relations between them —legally, politically, militarily, and economically.

### ***Legal and Political Relations***

In the Basic Agreement effectuated on February 19, 1992, the South and the North define intra-Korean relations “not being a relationship between states, [but] ... a special interim relationship stemming from the process toward unification.” The fact that the two Koreas do not recognize each other as a sovereign state and define themselves being in a “special interim relationship” reflects their

strong desire to avoid the permanent division of the Korean peninsula and to pursue the reunification of the country.

Article I of the Basic Agreement also states the agreement between the two Koreas that “the South and the North shall recognize and respect each other’s system.” In other words, the two Koreas agree to recognize each other’s political, economic, social, and cultural system and respect the *de facto* jurisdiction of each other’s government. However, such recognition is relevant only to the international aspect of intra-Korean relations, not to its internal aspect.

Despite the effectuation of the Basic Agreement, there still remain fundamental differences in how the South and the North view each other’s regime. The South admits the reality that there exist two different political systems on the Korean peninsula, just as it is stated in the Basic Agreement. It also regards the North as a partner in creating single economic, social, and cultural communities through reconciliation and cooperation. The South believes that this partnership will eventually lead to the formation of a single political community.

The North, on the other hand, still claims that the DPRK government is the only legitimate regime on the Korean peninsula. It regards the South as a subject to be absorbed into its own system and the ROK government, a “subject to be overthrown for the sake of a communist revolution.” Consequently, the North has refused the resumption of dialogue and contact with the South while attempting to undermine the authority and the legitimacy of the ROK government through continuous slander and defamation. Therefore, North Korea’s hostility toward the South is the major barrier in improving intra-Korean relations and the main obstacle in moving toward unification.

### ***Military Relations***

Since the division of the peninsula, the two Koreas have confronted each other while constantly building up their armed forces. Finally, in June 1950, the Korean War broke out as the North began a full-front attack on the South. The war, which lasted three years, left millions of deaths and an astronomical amount of property damages when it finally ended as the two Koreas ceased all hostilities and use of forces against each other in accordance with the armistice agreement which was effectuated on July 27, 1953.

Nonetheless, the sharp military confrontation between the two Koreas still continues along the armistice line because of North Korea's frequent violation of the armistice agreement and its continued provocation against the South. Recently, the North attempted to invalidate the armistice agreement structures and violated the agreement by infiltrating a group of commandos into the South using a submarine. It has thus escalated tension between the two Koreas.

Article 5 of the Basic Agreement states: "The two sides shall endeavor together to transform the present state of armistice into a solid state of peace between the South and the North and shall abide by the present Military Armistice Agreement (of July 27, 1953) until such a state of peace has been realized." The North, however, has not kept its end of agreement. The realization of true peace and stability on the Korean peninsula requires that the North sincerely abide by the armistice agreement and the Basic Agreement.

### ***Economic Relations***

After the division of the peninsula, the North implemented a socialist planned economy, while the South developed a capitalist

market economy. In spite of political and military tension between them, the two Koreas have gradually expanded economic exchanges in the civilian sector.

The basic frame for intra-Korean trade was laid down in the Basic Agreement and the Protocol on the Compliance with and Implementation of Chapter III, South-North Exchanges and Cooperation, of the Basic Agreement signed in 1991 and 1992, respectively. The volume of intra-Korean trade reached \$287 million in 1995, making the South the third largest trade partner of North Korea; only Japan and China rank ahead of South Korea.

In November 1994, the ROK government published the additional measures to promote intra-Korean trade, thereby opening the door for South Korean businesses to invest in the North. When the North suffered from unprecedented food shortage in 1995, the South provided 150,000 tons of rice aid free of charge. In 1996, it also donated \$3 million worth of additional food stuffs for the North Korean flood victims.

### ***National Awareness***

The two Koreas have competed with and confronted each other for over a half a century under two completely heterogeneous systems. Nevertheless, Koreans have always believed that they are one people in one nation. The Korean people have lived in a single community over several thousand years within the well-defined geographical boundaries of the Korean peninsula. Furthermore, the country remained unified for at least over 1,300 years. It is, therefore, very natural for them to think of the two Koreas as one nation. And it ought to be so. According to a survey conducted among the

South Koreans in 1995, 91.8 percent of those who replied answered that they wished for unification.

### **3. Intra-Korean Relations in the Regional Context**

In the Northeast Asian arena the Cold War around the Korean peninsula had developed along two axes: the northern triangle composed of the former Soviet Union, China, and North Korea and the southern triangle composed of the United States, Japan, and South Korea. With the emergence of Mikhael Gorbachev, however, the Cold War structure started to crumble in the mid 1980's. When the Soviet Union finally collapsed in December 1991 both triangles underwent substantial transformation. In the early 1990's, South Korea normalized its relations with the old friends of North Korea-Russia (who had by then succeeded the Soviet Union) and China. Likewise, North Korea has been trying to improve its relationship with the United States and Japan. Consequently, Russia and China are currently reexamining their traditional alliance with North Korea.

#### ***ROK-US Relations vs. North Korea-China and North Korea-Russia Relations***

The United States and South Korea share a common ideology and the values of democracy and market economy. Based on such similarities, the two countries have maintained a solid alliance in national security as well as broad cooperation in trade and commerce. More recently, the partnership between the two countries has grown

beyond the political and security area and expanded into almost every areas including business, trade, science, and technology.

North Korea-China relations were built upon socialistic solidarity. These two countries have maintained a partnership alliance in various fields of interaction. In particular, the military alliance between them has been sustained based on the [North] *Korea*-China Treaty of Friendship, Cooperation, and Mutual Assistance signed on July 11, 1961. According to Article 2 of the treaty, “both parties have a responsibility to jointly take all the necessary measures to prevent an attack on one party by any other country.”

The former Soviet Union was the first nation to recognize North Korea as the sole legitimate government on the Korean peninsula in October 1948. Until the normalization of relations between Russia and South Korea, North Korea-Soviet (or Russia) relations were based on Marxist-Leninism and the principles of proletariat internationalism. The Russian Federation that succeeded the Soviet Union, however, has renounced any ideological bias in its foreign policy. Consequently, the North-Russia relations must now shake off the ideological or military ingredients of the past.

The military alliance between the two countries has been based on [North] *Korea*-Soviet Treaty of Friendship, Cooperation, and Mutual Assistance signed on July 6, 1961. After the collapse of the Soviet Union, Russia automatically assumed the Soviet Union’s place in the treaty. On September 7, 1995, however, Russia notified North Korea of its intention not to extend the treaty when it expires. Moscow has proposed that Pyongyang sign a new treaty based on mutual friendship, instead.

***Normalization of ROK-Russia and ROK-China Relations  
and North Korea's Attempts to Overcome Isolation***

Having normalized their relations in September 1990, Russia and South Korea have held five summit meetings and more than ten meetings between the foreign ministers of the two countries. The exchange of high-level officials has expanded ROK-Russia relations in almost every field including political, economic, technological, scientific, and the cultural area. It has even been spread into the field of military cooperation: in 1994, the ROK Minister of Defense made a visit to Russia and in 1995 his Russian counterpart visited South Korea in reply.

On August 24, 1992, the foreign ministers of China and South Korea signed a document that cleared up the legacies of the Cold War and established ambassadorial relations between the two countries. Following the normalization, a remarkable improvement was observed in the political field as well as in the economic field. High-level visits between the two countries have noticeably increased and trade has rapidly expanded. In particular, ROK-China trade has shown a rapid growth owing to geographical proximity as well as the complementary aspects of the South Korean and Chinese economies. Trade volume reached \$16.5 billion in 1995 and China has emerged as the third largest trade partner of South Korea, trailing behind only the United States and Japan.

Pyongyang is worried that the normalization of ROK-Russia and ROK-China relations may lead to its isolation in the international community. In addition, it is facing with severe economic difficulties. For those two reasons, North Korea is trying to catch two birds at once; to restore its old friendships with Russia, China, and other

former socialist countries and to make new friends with the United States, Japan, and other western capitalist countries.

So far, North Korea has signed with the United States the Agreement Framework in Geneva (October 21, 1994) and the Kuala Lumpur Accord on the provision of light-water reactors (June 13, 1995). Yet, there are still issues pending between the two countries. These include: the easing of US economic sanction against North Korea, opening of liaison offices in Washington and Pyongyang, the repatriation of the remains of American soldiers, and control of North Korean missile exports. North Korea has recently reinforced its efforts to resolve those issues.

On March 30, 1995, upon the visit by a Japanese delegation of the three-party coalition, North Korea agreed to the resumption of talks for the normalization of North Korea-Japan relations. In addition, it has reached an agreement with the Japanese government for the donation of 500,000 tons of rice in two shipments, on July 31 and October 3, to help the North Koreans overcome their food crisis. Through the exchange of politicians and journalists, the two governments are trying to create a favorable environment for the resumption of the talks.

At the same time, North Korea is also trying to restore its relationships with Russia and China which have been estranged to a certain extent after those two countries established diplomatic relations with South Korea. China and North Korea have exchanged a number of delegations at the political, party, and civilian levels. On various national holidays of the two countries, North Korea's Kim Jong-il and Chinese President Jiang Zemin have exchanged messages reassuring that the two countries would further enhance their friendship and solidarity.

North Korea-Russia relations departed from the military alliance and moved into a new stage after Russia announced its intention not to extend the [North] *Korea-Soviet Treaty on Friendship, Cooperation, and Mutual Assistance* in September 1995, a year before its expiration. North Korea and Russia are currently searching for a way to move away from the old-style military alliance and develop a normal relationship that is often observed between any two sovereign states.

### ***Interests of the Four Powers in the Unification of the Korean Peninsula***

For a long time the United States has played the role of a hegemony in Northeast Asia in order to contain the Soviet Union. With the end of the Cold War, it now seeks to play the new role of a balancer among the regional powers. Accordingly, Washington began to place a greater value in the existing ROK-US alliance while improving its relationship with North Korea in order to induce a stable transformation of the Pyongyang regime.

Once one of the super powers in Northeast Asia, Russia proposes to construct a reconciliatory structure through multinational talks, thereby reducing its own security burden. It desires to expand economic cooperation with the United States, Japan, and South Korea. At the same time, it wants to redefine its relationship with North Korea so that it can exercise a balanced influence over both Koreas.

In the past, China had a strong bias favoring North Korea. Beijing now, however, wants to separate politics from business. Having adopted a pragmatist policy, the Chinese are pursuing after practical benefits. While, on one hand, China wishes to maintain political

and security ties with North Korea, which still clings to socialism even after the collapse of the Eastern bloc, it also wants to reinforce its economic tie with South Korea.

Japan is searching for a way to obtain political and military influence matching for its economic status. It believes that peace and security on the Korean peninsula are indeed important for the stability of the Northeast Asian region. It also realizes that as long as North Korea remains as a threat to South Korea, Pyongyang could also be a potential threat to its own security. Japan, therefore, attaches great importance to friendly cooperation in the ROK-Japan relations.

It seems that all four powers around the Korean peninsula agree on one point. They all agree that unification of the Korean peninsula must come about through a cooperative agreement between the two Koreas, and that in the meantime it is necessary to reduce tension and maintain peace on the peninsula.

### ***Unification of the Korean Peninsula and Peace in Northeast Asia***

Intra-Korean relations is not only a problem between the two Koreas but also a crucial variable in the matrix of regional order-building. In 1993, for example, suspicion over North Korea's withdrawal from the NPT and its rejection of IAEA's special inspection constituted a threat to the security of not only the Korean peninsula but also of the entire Northeast Asian region.

Two years after the death of Kim Il-sung who had ruled North Korea for nearly fifty years, Pyongyang has still not been able to inaugurate his successor. In the meantime, the worsening economy

and aggravating food shortages could pose a serious threat to the Pyongyang regime. The instability of the North Korean regime would be a threat to the peace and security of the Korean peninsula and present an unexpected danger for the nations around it.

Under such circumstances, the government of the Republic of Korea is taking a firm stand on its policy to safeguard the fragile peace on the peninsula while leading North Korea toward stable change. The logic behind such a stand is that the preservation of peace is the foundation in solving the Korean question and that the transformation of North Korean society is the shortest path to unification.

The government also maintains the position that the directly concerned parties to the Korean question are no other than the two Koreas themselves. Consequently, the role of the other concerned countries should be limited to supporting or endorsing the efforts of the two Koreas in the peace-building process.

Ultimately, the Korean people are pursuing a “unification for the benefit of the world.” A unified Korea would contribute to the realization of such universal values as liberty, human rights, and social welfare. A unified Korea would indeed make a greater contribution toward the peace and prosperity of the human community.

## II

---

---

# IMPLEMENTATION OF UNIFICATION POLICY



## 1. Process of Implementation

During the fifty years of national division, the ROK government has endeavored in various areas to achieve its ultimate goal: that is, to create a unified nation-state. Over this long period of time, it has developed many different policies and means to achieve national unification and constantly refined them in response to numerous changes in the political climate of the Korean peninsula as well as that of the international environment. Through such a painstaking process, the South has come to have a better understanding of the North and of the nature of the national division. As a result, its present approach and procedure for unification well reflect the reality that the two Koreas face.

Up until the 1960's, the South had viewed the North regime as an illegitimate puppet government created according to the expansionist strategy of the Soviet Union and, hence, an object of recovery. By the 1970's, however, it had come to realize that while not recognizing the legitimacy of North Korea, it should acknowledge the *de facto* existence of the regime as a reality and that its approach to unification would become more practical only when based on such a

realization.

In his Liberation Day message on August 15, 1970, President Park Chung-hee announced the Idea for Peaceful Unification of 1970, which was made based on the recognition of the reality that there exist two independent political entities on the Korean peninsula. The declaration, therefore, emphasized the importance of intra-Korean dialogue and exchanges built on such a realization. Subsequently, South and North Korea began formal intra-Korean dialogue for the first time ever in 1971, some 26 years after the division. On August 12, 1971, the National Red Cross of the Republic of Korea (KNRC) proposed to the Red Cross Society of the North (RCSNK) to convene talks to discuss the issues of the separated families. Finally, in July 1972, the two Koreas issued the South-North Joint Communiqué, on historic statement that announced their agreement on the principles for unification.

During the 1980's, the South began to realize that the restoration of a common economic, social, and cultural community prior to the completion of political unification might be a more practical step toward national unification. The ROK government, therefore, began to stress the coexistence and co-prosperity of the two Koreas through reconciliation and cooperation.

Based on such a realization, the ROK government presented its unification policy in the following series: the Formula for National Reconciliation and Democratic Unification of 1982; the Special Declaration for National Self-Esteem, Unification, and Prosperity of 1988 (hereafter the July 7 Declaration); and the Korean National Community Unification Formula of 1989. In particular, the July 7 Declaration recognized the North not as a hostile enemy but as a member of the national community with whom the South together

needed to pursue co-prosperity through mutual trust and cooperation. This marked a turning point in the way the South viewed the North.

Throughout the 1990's the South Korean government's understanding of the political reality became more clearly reflected in its unification policy. Consequently, the two Koreas were able to sign the Agreement on Reconciliation, Nonaggression, and Exchanges and Cooperation Between the South and the North (hereinafter the Basic Agreement) at the sixth round of the Intra-Korean High-level Talks held on February 19, 1992. With the effectuation of the Basic Agreement, the South and the North finally laid down a foundation upon which they could shake off the accumulated mistrust and confrontation and work toward peace and unification on the strength of their own efforts.

South Korea's desire to achieve unification based on an intra-Korean consensus was reaffirmed in the Three-phased Unification Formula for Building A Korean National Community announced in 1994 (hereinafter the Korean National Community Unification Formula or the KNCU Formula).

At the same time, South Korea's concept of unification also varied according to the way the government viewed the existence of North Korea and the reality of the national division. Up until the 1960's when the government denied the existence of North Korea, unification was identified with recovery of the territory over which the jurisdiction of the ROK government should be extended. In short, unification meant restoration of that northern region of the republic occupied by the North Korean communists.

In the 1970's, however, unification as the restoration of territory became outmoded. As the division had lasted over twenty years peo-

ple began to admit that by then each regime had been consolidated in its own way. Under such circumstances, a complete unification would certainly require the integration of two separate political entities. Yet, territorial and political unification still did not take into consideration of the integration of two societies that had become highly heterogeneous during the years of separation. Until then many believed that the wounds inflicted by the division would be easily healed once territorial or political unification was achieved.

In the 1980's attitudes began to change. The Korean people began to realize that it would take more than mere territorial recovery or political integration to resolve all the problems created by the national division. They came to understand that it would not be easy to achieve political unification in the near future when the two societies had developed along separate paths under totally different regimes. Even if unification were achieved in such a way, it would only be superficial, not a true integration in the sense that it would not unite the people of the two Koreas at the internal or psychological level.

Through an evolutionary process, therefore, the unification policy of South Korea has come to incorporate a gradual and step-by-step approach to unification: the current ROK formula suggests that political unification should be achieved after the establishment of a national community predicated on peaceful coexistence of both Korean regimes. The Korean National Community Unification Formula of 1989 was the first integrated and systematic unification formula that incorporated such an approach. This formula was later refined by the Kim Young-sam Administration and developed into the Three-phased Unification Formula for Building A Korean

National Community of 1994 (the KNCU Formula).

As shown above, South Korea's unification policy has undergone a series of modifications over the past several decades. Nonetheless, there are two common elements that have been imbedded in all those formulas—spirits of peace and democracy. The South has been steadfast in its position that unification must be achieved in a peaceful manner and also in a way in which all the members of the Korean community are free to express their own opinions and to make their own choices.

Peace is a critical element directly related to the security and survival of the Korean people and, therefore, can never be compromised under any circumstance. Moreover, the South suffered enormous pains and sacrifices in a tragic and senseless war started by the North. In the past, North Korea's reckless attempt at armed aggression against the South, while claimed by Pyongyang to have been made in the name of unification, only resulted in national disaster; furthermore, it consolidated the division of the nation. Likewise, any attempt to achieve unification by means of war or use of force would be not only condemnable but also impractical.

Peaceful unification can be achieved in an orderly manner through a democratic process. "Democratic" means that the opinions of the entire Korean people must be freely reflected in the political process of the unification. In addition, democracy also requires that the type of system to be adopted by a unified Korea must be determined by national consensus. National consensus can be built through a free election. It is mandatory to hold a general election throughout all of Korea in order to integrate the South and the North and form a congress and an administration for a new unified republic. Of course, the election must follow the democratic procedure.

The North, however, must be transformed into a pluralistic society before a free election could be held in Korea. In other words, North Korea must be transformed into a liberal, democratic nation similar to South Korea. This is why the two Koreas must first restore a sense of homogeneity through a confidence-building process. Mutual trust will be recovered when the two societies eventually dissolve the political tension and military hostility between them and expand intra-Korean dialogue and cooperation.

**Table 2-1 The History of South Korea's Unification Policy**

Period	View of North Korea	Approach to Unification	Major Statements
The First Republic (1948-60)	No recognition of North Korea Subject of territorial recovery	Free general election within the North according to the UN resolution  Free general election throughout Korea under the monitoring of the United Nations	The Resolution To Be Sent To The North Korean Residents adopted by the Constitutional Assembly (June 12, 1948) Foreign Minister's address at the Geneva Political Conference (May 22, 1954)
The Second Republic (1960-61)	No recognition of North Korea Subject of territorial recovery	Free general election throughout Korea under the monitoring of the United Nations	The Measures to Reform Unification and Foreign Policies announced by the Democratic Party (July 26, 1960)

Period	View of North Korea	Approach to Unification	Major Statements
The Third Republic (1963-72)	No recognition of North Korea Subject of territorial recovery	Free general election based on population ratio throughout Korea under the monitoring of the United Nations  * Reconstruction Before Unification	Resolution of the 25th General Meeting of the Sixth National Assembly (Nov. 29, 1964) The Conception of Peaceful Unification (Aug. 15, 1970)
The Fourth Republic (1972-81)	Recognition of North Korea Subject of peaceful coexistence	General election in the entire Korea based on the native residents ratio	The June 23 Declaration (June 23, 1973) The Three Basic Principles for Peaceful Unification (Aug. 15, 1974)
The Fifth Republic (1981-88)	Recognition of North Korea Subject of peaceful coexistence	General election based on the constitution of unified Korea Temporary Treaty on the Basic Intra-Korean Relations	The Formula for National Reconciliation and Democratic Unification (Jan. 22, 1982)

continued

Period	View of North Korea	Approach to Unification	Major Statements
The Sixth Republic (1988-93)	Cross-recognition of each other's regime A partner in goodwill	After the transitional stage of Korean commonwealth, general election based on the constitution of a unified Korea	The July 7 Special Declaration (July 7, 1988) The Korean National Community Unification Formula (Sept. 11, 1989)
The Current Administration (1993-Present)	Cross-recognition of each other's regime A partner for reconciliation and cooperation	Three-phased approach: reconciliation and cooperation → Korean commonwealth → unified nation-state	KNCU Formula (Aug. 15, 1994)

## 2. Korean National Community Unification Formula (KNCU Formula)

### 1— Background

By the 1990's a new international order had emerged as the Cold War ended with the collapse of the Soviet Union and the East European bloc along with the unification of Germany. The basic ideologies of the new order were liberty, welfare, and open market economy. Under the new international order, the dignity of individuals

was respected more highly and peace and cooperation between nations were more strongly needed than ever before. At the same time, the pursuit of one's own interests became the rule of the new game and economic capability emerged as a factor that could change the dynamics of the international system.

After overcoming various difficulties, South Korea succeeded in both industrialization and democratization. In particular, since the inauguration of a civilian administration the ROK government has successfully launched a reform campaign that swept across society. As a result, democracy has become deeply rooted in South Korean society and the spirits of the Korean people have been reinvigorated.

North Korea, too, faces a turning point in its history with the death of Kim Il-sung, who had ruled the country over half a century. The Pyongyang regime, however, has refused to adapt to the international currents of reform and liberalization and has held onto its closed socialist system. As a result, the North now faces a severe economic crisis, not to mention isolation from the international community.

In response to such changes in the domestic and international environments, the ROK government clarified its position regarding the principles and procedure of unification as well as the future of a unified Korea on August 15, 1994. These were laid out in the KNCU Formula presented by President Kim Young-sam in his speech on the 49th anniversary of national liberation.

## 2 — Contents

### *Basic Philosophy*

The KNCU Formula clarifies two major concepts in the unification policy of South Korea which, until then, had been presented in a rather ambiguous manner. One is 'liberal democracy' as the basic philosophy in pursuit of unification and the other is 'national community' as an approach to unification. The philosophy of liberal democracy suggests that liberty and democracy are crucial values that must be pursued consistently not only in the process and procedure of unification but also in the future of a unified Korea.

The formation of the national community reflects that unification of the nation must be achieved following the integration of people and their societies. That is, the South and the North should first form and develop a socio-economic and cultural community. The next step, then, is to move toward political unification in a peaceful and gradual manner. The unification efforts must be focused on how the Korean people should live together, rather than on how power should be shared. It should be based not on ideology built around a particular class or group, but rather on a system of liberal democracy in which the liberty, welfare, and dignity of each individual member of the Korean community are respected.

### *Principles*

The KNCU Formula presents three basic principles that must be maintained in the pursuit of unification. First, the principle of 'independence' requires that unification be achieved based on the capabilities of the Korean people without any outside interference. In

other words, in accordance with the spirit of self-determination the two Koreas should strive for unification based on their own wishes and determination through direct dialogue between them.

Second, the principle of 'peace' dictates that unification must be achieved in a peaceful manner, not through a war or overthrowing the other side. Although unification may be a national mandate, it should never entail violence, force, or any form of forced sacrifice on the part of the Korean people.

Finally, the principle of 'democracy' demands that unification be achieved in a form of democratic integration in which the liberty and rights of every member of the Korean community are secured. This means not only that the process of unification must be democratic, but also that a unified Korea must be a society in which its individual members are able to live like decent human beings.

At the same time, another idea embedded in the concept of 'democracy' is that individuals are given the right to participate in the process of determining the methods and procedures of unification as well as the fair opportunity to contribute to it.

### *Process*

With the gradual creation of a single national community as its ultimate goal, the KNCU Formula proposes three phases in the process of unification: reconciliation and cooperation, a Korean commonwealth, and then a single nation-state.

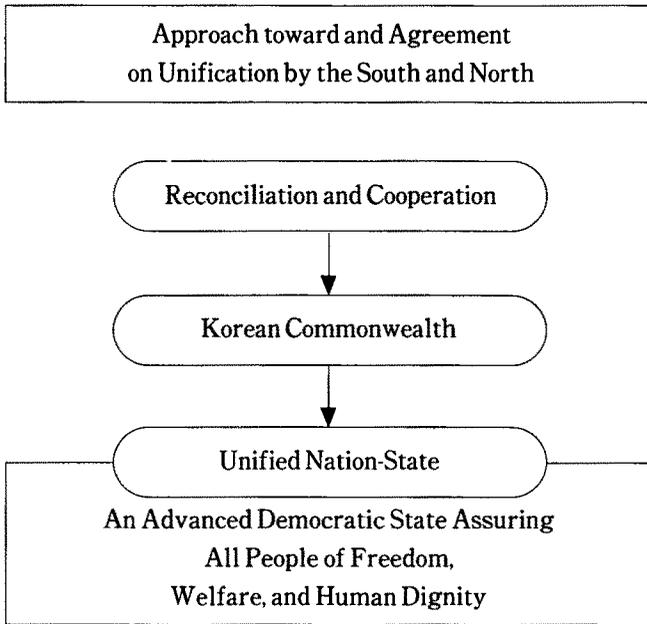
In the first phase, the two Koreas are to recognize each other's system and dissolve the mutual mistrust and hostility. Then, based on this newfound mutual trust, they are to institutionalize their efforts for reconciliation and expand intra-Korean exchanges and

cooperation. This is a stage where the two Koreas maintain peace while remaining in a state of division and increase cooperation in the economic, social, and cultural areas. As intra-Korean exchange and cooperation flourish and mutual trust builds up, the two Koreas would be then ready to move onto the next phase of commonwealth-building.

The Korean commonwealth formed during the second phase is an interim arrangement on the way to complete unification. It is a socio-economic and cultural community under which intra-Korean peace is institutionalized. During this phase the South and the North are to prepare the legal and institutional groundwork for a unified Korea. The two Koreas are to form several institutions to discuss various issues related to nation building. Though it is up to the South and the North together to decide what kinds of institutions are to be established under the Korean commonwealth, such institutions as intra-Korean summit meetings and intra-Korean cabinet conferences must be established to meet regularly to discuss the pending issues while an intra-Korean congress prepares the necessary legal procedures for the completion of unification.

In the final phase of a single nation-state, the two Koreas that have already formed a common living sphere are to integrate their systems completely into a single political entity and create a community of one nation and one people. A democratic election is to be held according to the constitution prepared by the intra-Korean congress to establish the government and congress of a unified Korea. These bodies will then complete the process of unification by integrating the institutions and systems of the two previous regimes.

The creation of the unified nation, however, will not mean the end

**Figure 2-1 Process of Unification**

of all problems. Various forms of aftershocks and side effects may arise because the South and the North have been divided for such a long time. Therefore, one of the most crucial tasks for all Koreans in the final phase is to do their best to eliminate the socio-cultural, economic, and psychological scars of the division and create a true national community.

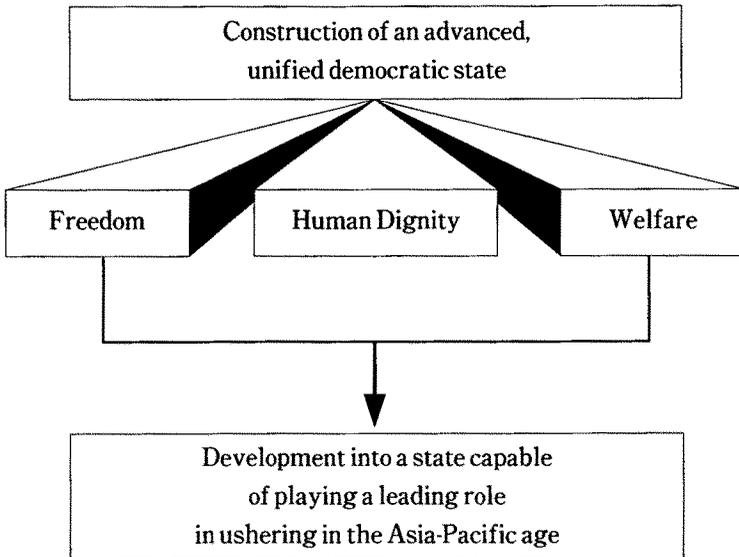
### ***The Future of a Unified Korea***

The KNCU Formula envisions an advanced democratic nation as the future of a unified Korea. It describes a unified Korea as a nation where its members are the masters of their own destiny and individual freedom, welfare, and dignity are respected. Of course, this

nation must be built based on a consensus formed during the process of unification. In detail, a unified Korea guarantees political and economic freedom and respects individual welfare and human rights. In short, it is a liberal democracy where welfare of its citizens is secured.

The unified Korea represents a clean and healthy society where all the pathological symptoms of national division are completely cured. Moreover, it provides permanent peace and security in society where everybody acts responsibly. Ultimately, a unified Korea will become a hub of the international community as it contributes to the peace and prosperity of the world.

**Figure 2-2** Goal of Unification



### **3— The Main Philosophies and Major Features**

#### ***Liberal Democracy as the Main Philosophy***

The KNCU Formula reaffirms that the unification policy of South Korea is based on the philosophy of liberal democracy. This policy reflects the spirit of the time as a new chapter in human history is being opened. It also succeeds the heritage of Korean history.

The ideological competition between the West and the East has ended in the victory of liberal democracy with the collapse of the socialist bloc. Liberal democracy is the spirit of the new age. It is a universal value that has been revered and pursued by mankind for ages. Consequently, the South Korean unification policy which embraces it as an underlying theme of the national unification is in tune with the currents of the world history.

Over the last one hundred years the Korean people have consistently endeavored to achieve self-reliant independence and to build a strong, liberal democratic nation. The ROK has a constitution rooted in liberal democracy and a social order founded on the same ideology. The reason why South Korea must present liberal democracy as the basic philosophy of unification springs from such an ideological underpinning.

#### ***The Entire Korean People as the Main Actors in Unification***

In the light of liberal democracy, the three principles for unification—*independence, peace, and democracy*—proposed in the KNCU Formula stress freedom and the fair participation of individual Koreans throughout the entire process of unification. Unification

will have serious effects not only on the survival and security of the individual members of the Korean community but also on the future of the entire Korean people. Therefore, decisions for unification must be made by all the members of the Korean community, not by any particular class or a group of individuals. Unification must also be achieved through a democratic procedure in which the participation of all the members of the Korean community is guaranteed. The unified Korea must be a nation in which all 70 million members of the Korean community are the masters of their own destiny.

### ***National Community as A New Paradigm for Unification Policy***

The KNCU Formula proposes a national community as a new paradigm in unification policy. A national community provides a communal society where all the members share common values and care about each other. A national community binds together a people with common ethnic heritage. It is, therefore, the very source of power that enables the national unification.

The South has long maintained that the two Koreas should eventually create a single national democratic welfare community by restoring the sense of common heritage through intra-Korean exchanges and cooperation. This concept of national community emphasizes the question of “how the Korean people can live together,” rather than “which class or group will take power.” Consequently, it provides that in the first stage of unification the two Koreas should concentrate on developing an economic, social, cultural, and information community. Then, during the process of social integra-

tion, only when the conditions are finally ripe for political unification, should the creation of a single nation-state be completed.

Embedded in the concept of a national community is the idea for a common national living sphere. Unification would naturally follow once the South and the North begin to form common living spheres in various areas and learn how to live together and to cooperate in pursuit of economic prosperity.

### ***Description of the Unified Korean Nation***

According to universal values of humankind as well as the particular experiences in Korean history, the ideal feature of a unified Korea should be a nation for the Korean people, by the Korean people, and of the Korean people, where the freedom and welfare of individual members are protected and the civil rights and dignity of the people are respected.

Consequently, it is necessary to first recover the homogeneity of the national community regardless of the time of unification. The national community that is restored during the process of unification should be a society that ensures the prosperity of all the Korean people and, furthermore, contributes to welfare of all humankind. Prosperity of the nation will be attained only when the freedom, welfare, and dignity of its individual members are secured. Toward this end, the values of democracy must be pursued throughout the process and procedure of unification and even afterward. Moreover, unification should not be an obstacle in developing the country into an advanced industrialized nation. Rather, it should lead the country toward democracy and prosperity and promote the utilization of nation's creative potential.

**Table 2-2 Comparison Between the Unification Formulas of South and North Korea**

Categories \ Parties	South Korea	North Korea
Name of the Formula	Korean National Community Unification Formula	Formula for Creating a Democratic Confederation of Koryo
Basic Philosophy	Liberal democracy (human-centered)	Juche (self-reliance) ideology (class-centered)
Main Actors in Unification	All the members of the Korean community	Proletariat class
Process of Unification	Three phases: reconciliation and cooperation → a Korean commonwealth → a unified single Korean nation-state Priority on recovery of national society (social integration → political unification)	Gradual completion of a confederation Priority on formation of state structure (political unification → social integration)
Interim Arrangement	Korean commonwealth	None
Procedure for Unification	General election throughout Korea under the constitution of the unified Korea	A series of political conferences
Format of a Unified Korea	Unified single nation-state with one system and one government	Confederation of two states, each with its own system and own government
Features of a Unified Korea	Advanced democratic country where freedom, welfare, dignity of individual citizens are respected	None

A unified Korea is the very essence of the New Korea which the Kim Young-sam Administration has presented as the blue print for the future of South Korea. It is also the completion of the reforms carried out by the same administration. The ROK government believes that the first step toward a unified Korea must be taken by South Koreans within their society. To be able to form a successful intra-Korean community, the South should first learn how to build an ideal democratic community within itself.

### **3. The Kim Young-sam Administration's Policy Toward North Korea**

#### **1— The Four-party Talks**

##### ***The Maintenance of Peace on the Peninsula***

The most important task in realizing unification is to secure peace on the Korean peninsula. Through the Korean War (1950-53), the Korean people have already experienced enormous sacrifices and a destruction of peace. Despite the state of sharp confrontation, the two Koreas have been able to maintain peace over the last half a century based on the Armistice Agreement signed at the end of the Korean War in 1953. It was the only legal and institutional device that has suspended the state of war and sustained the "fragile" stability and peace in the peninsula. Recently, however, this armistice arrangement has been put to a serious test.

North Korea, which had already violated the agreement numerous times since it was signed, arbitrarily withdrew its representa-

tives from all the armistice structures, including the Military Armistice Commission (MAC) and the Neutral Nations Supervisory Commission (NNSC). Moreover, it has continually attempted to invalidate the agreement by staging demonstrations of armed forces and military provocations in the Demilitarized Zone (DMZ), thus creating a serious threat to the stability of the peninsula.

In Article 5 of the the Basic Agreement effectuated on February 19, 1992, the two Koreas already agreed to “endeavor together to transform the present state of armistice into a solid state of peace between the South and the North and to abide by the present Military Armistice Agreement until such a state of peace has been realized.” Nevertheless, the North argues that since the South is not one of the original signatories to the agreement a new peace treaty must be signed between North Korea and the United States. Accordingly, North Korea is avoiding dialogue with South Korea. Consequently, South Korea faces a serious difficulty in its efforts to build durable peace on the peninsula.

Under such circumstances, President Kim Young-sam, in his speech on the 50th anniversary of national liberation celebrated on August 15, 1995, proclaimed the Basic Principles for Construction of Peace Regime in the Korean Peninsula. First, the issue of a peace arrangement in the Korean peninsula must be resolved through discussions between the South and the North. Second, every agreement made between the two Koreas, including the Basic Agreement and the Joint Declaration of the Denuclearization of Korean Peninsula, must be respected. Third, the effectiveness of the peace arrangement in the Korean peninsula must be reinforced with the cooperation and support from the surrounding countries. Those principles were further developed in the joint proposition for the

Four-party Talks made at the US-ROK summit held on April 16, 1996.

***Proposition for the Four-party Talks***

President Kim Young-sam of the Republic of Korea and President Bill Clinton of the United States held a summit meeting in Cheju Island on April 16, 1996. At the end of the summit, they released a US-ROK joint statement which contained the following:

First, President Clinton pledged the steadfast US commitment to the security of the Republic of Korea and reaffirmed the strength of the US-Korea security alliance.

Second, both Presidents agreed that the present Armistice Agreement should be maintained until it is succeeded by a permanent peace arrangement.

Third, both Presidents agreed that South and North Korea should take the lead in a renewed search for a permanent peace arrangement, and that separate negotiations between the United States and North Korea on peace-related issues cannot be considered.

Fourth, President Kim affirmed that the Republic of Korea is willing to meet without any precondition at the governmental level with representatives of the North; President Clinton affirmed that the United States is prepared to play an active and cooperative role in support of this effort; and both Presidents agreed that China's cooperation on this matter would be extremely helpful.

Fifth, the two Presidents proposed to convene Four-party Talks among representatives of the Republic of Korea, the North Korea, the United States, and People's Republic of China as soon as possible

without any precondition.

Sixth, the two Presidents agreed that this peace process should also address a wide range of tension-reducing measures.

The aim of the Four-party Talks is to reduce tension and establish a durable peace arrangement on the Korean peninsula. It has the following significance:

First, by proposing the Four-party Talks, South Korea changed its policy from a passive response to the North Korean violation of the Armistice Agreement to the presentation of a constructive and future-oriented structure for peace.

Second, the Four-party Talks are an attempt to resolve the Korean question through a multinational channel. Realizing the international features of the Korean question and, thus, admitting the need for the support of the surrounding countries in resolving the problems, South Korea has made clear of its intention to actively take advantage of their cooperation in the process of unification.

Third, North Korea is being given a maximum room in making its decision to accept the proposition because the South has loosened the format of the talks from "2+2" to "four-party" participation, attached no preconditions to the proposition, and insinuated the inclusion of comprehensive tension-reducing measures in addition to discussion of a peace treaty in the agenda of the talks.

Fourth, the South made it clear that discussion of the peace arrangements must be initiated by the two Koreas while separate negotiations between the United States and North Korea must be avoided.

Finally, the Four-party Talks provides a multinational table which can contribute to the stability and peace of Northeast Asia and an institutional mechanism through which regional security

issues may be discussed.

In his speech delivered on the 51st anniversary of national liberation on August 15, 1996, President Kim Young-sam summed up the position of the South Korean government on intra-Korean peace and cooperation as follows:

First, the South wishes for stability in North Korea.

Second, the South does not wish for the isolation of North Korea from the international community.

Third, the South is not pursuing a one-sided unification.

The purpose of the Four-party Talks is to materialize the spirits of peace and cooperation into feasible realities. Consequently, the South stresses that the possible agenda of the talks may include but will not be limited to (i) comprehensive issues related to reducing tension and bringing peace to the peninsula, (ii) issues related to the creation of a peace arrangement and mutual trust in military relations, and (iii) intra-Korean economic cooperation as a means to reduce tension between the South and the North.

The South believes that if the North truly wishes to improve the intra-Korean relations and establish permanent peace, it must accept the offer for the Four-party Talks. The North may also be able to use that opportunity as a means to overcome the various difficulties it now faces. The security of its unstable regime can be guaranteed; its economic crisis can be overcome; and a chance to join the international community as a responsible member will be open.

## **2 — The Light-Water Reactor Project**

The North Korean nuclear threat developed into a serious issue when Pyongyang refused the IAEA's request for a special inspec-

tion of its nuclear facilities and declared its withdrawal from the NPT on March 13, 1993. The ROK government, however, consistently maintained the position that the nuclear issue must be resolved in a peaceful manner not to provoke tension on the Korean peninsula and tried its best to resolve the issue through cooperation with the members of the international community, including the United States, Japan, and the IAEA.

In his congratulatory message on National Liberation Day in 1993, President Kim Young-sam announced that if and when the North guarantees the transparency of its nuclear activities and comes forward for intra-Korean dialogue with sincerity, the ROK government would actively cooperate with the North in developing natural resources, including nuclear energy, expand intra-Korean cooperation in various fields, and help North Korea to improve relationships with the friends of South Korea. In the similar congratulatory message delivered a year later, President Kim reaffirmed that if and when the North guarantees the transparency of its nuclear activities, the ROK Government is ready to support its development of the peaceful use of nuclear energy by providing Pyongyang with the necessary capital and technology. In the same speech, he also stressed that, this could be the leading to the first joint project for national development, establishment of a single community of the Korean people.

As a result of such efforts by the ROK government and the support of the international community, the Agreed Framework was signed between North Korea and the United States in Geneva on October 21, 1994. According to this agreement, North Korea was to remain under the NPT regime and accept the IAEA's inspections of all its nuclear facilities, while the United States was to arrange for

the provision of two 1,000 MWe light-water reactors by the year 2003.

The North Korean nuclear crisis was gradually resolved as the provisions of the Agreed Framework were implemented one after another: North Korea and the United States came to an agreement that the type of reactors to be supplied to North Korea would be the Korean standard model and the Korean Peninsula Energy Development Organization (KEDO), an international organization which would be responsible for the financing and supply of the light-water reactor project, was established with South Korea playing the central role in it. The supply of the Korean standard model of light-water reactors would open a new chapter in intra-Korean relations through exchanges of people and materials during the nearly ten year construction period.

### **3 — The Expansion of Intra-Korean Exchanges and Cooperation**

The two Koreas cannot waste their national potential when all other countries are leaping over the ideological barriers of the past age and pursuing their interests and prosperity in the international arena. If the South and the North continue to confront and have conflict with each other in destructive competition, there can be no prosperous future for the Korean people.

Now South and North Korea have to place the welfare and prosperity of the Korean nation at the core of intra-Korean relations and prepare together for the age of international competition through reconciliation and cooperation. In particular, North Korea needs to see the trend of human history correctly and move along on the

road to transformation and reformation.

The ROK government for a long time has tried to expand the window of opportunity for intra-Korean exchanges and cooperation in more feasible areas. As a result, the intra-Korean exchange of people and commodities has constantly increased. In addition, the ROK government has now opened the door wide for South Korean businesses to invest in the North. It was June 12, 1989, when the ROK government enacted the Guideline on Intra-Korean Exchanges and Cooperation. Since then, 1,244 South Korean citizens have visited the North while 575 North Korean residents have visited the South as of the end of 1995. During this period, the total number of separated families, businessmen, scholars, religious leaders, and athletes who have met each other in the third countries reached 5,225. Meanwhile, the total amount of intra-Korean trade during the same period was \$122 billion.

In November 1994, the ROK government announced the measures to promote intra-Korean economic cooperation which permitted cross visits by businessmen, visits by engineers and technicians, and sending of equipments for processing trade. These measures gave an opportunity for South Korean businesses to make investments in North Korea.

Unfortunately, despite of such endeavors by the ROK government, intra-Korean relations are currently in a deadlock. Due to the negative attitude of North Korea there exist many limitations in expanding intra-Korean trade. Nevertheless, the ROK government believes that the efforts to remove those obstacles should be continued in the conviction that in the long run it will increase the common interests of the Korean national community.

## 4— Food Assistance

Ever since Korea became divided into two, the North has suffered from food shortages. The Soviet style farming system has caused inefficiency in agricultural production and lowered the productive spirits of the North Korean farmers. Underdevelopment of agricultural technology and shortage of pesticides, fertilizers, and other farm equipment have also contributed to the failure of North Korean agriculture. Furthermore, floods in 1995 and 1996 have inflicted tremendous damage to its productive capacity and severely aggravated the food situation. Consequently, North Korea's estimated grain production for 1995 was about 3,450,000 tons, and even adding the imports and assistance from other countries of about 700,000 tons, plus the 1,200,000 tons in storage, North Korea has been short about 2 million tons of grain every year.

Sympathizing with North Korea's hardships, the ROK government has provided food assistance to Pyongyang out of pure humanitarian concerns. In 1995, for example, the South furnished a total of 150,000 tons of rice for free. In 1996, in a response to an appeal by the World Food Program (WFP) and other international organizations it has contributed \$2 million in cash as well as \$1 million worth of dry milk.

Moreover, during the period from September 1995 to September 1996 the ROK National Red Cross has sent various food stuffs worth in total about \$1.8 million, including flour, vegetable oil, dry milk, and instant noodles. In addition, President Kim Young-sam, in his speech on the 51st anniversary of national liberation in 1996, has made it clear that the ROK government was willing to help the North Koreans solve the food shortage at its roots. In detail, he sug-

gested that South Korea would be able to assist in various ways to improve North Korea's agricultural productivity and to recover the farm lands lost in the floods by lending the necessary equipment.

His suggestions also included investment by South Korean businesses in the Rajin-Sunbong free trade zone that North Korea has opened up for foreign capital. Furthermore, he said, the government would expand intra-Korean trade so that North Korea would be supplied with what it needs while permitting South Korean tourists to visit the North. Finally, he offered that those measures for agricultural cooperation could be further discussed at the Four-party Talks proposed jointly at the ROK-US summit meeting on April 16, 1996.

### **III**

---

---

## **THE UNIFICATION POLICY OF NORTH KOREA**



## **1. The Basis of the North Korean Unification Policy**

Considering intra-Korean relations and national unification as steps toward the completion of a socialist revolution, North Korea has steadfastly pursued the communization of the entire Korean peninsula by trying to stage a communist revolution in the South. Toward this end, North Korea has put forth the “three revolutionary forces” and deployed various unification front tactics. Pursuant to its revolutionary scheme, Pyongyang has varied its tactics to accommodate the changing environments. Accordingly, it has responded to Seoul’s calls for intra-Korean dialogue from time to time.

The end of the Cold War and the collapse of the Eastern bloc along with the deterioration of the North Korean economy in the later half of the 1980’s forced the North Koreans to make a partial change in their policy toward the South. Nevertheless, no fundamental change has been observed yet. In this chapter, the basis and strategies of the North Korean unification policy are presented. In particular, the presentation centers around the confederation method Pyongyang has consistently proposed for decades.

### ***North Korea's View of the South***

After Korea regained independence from Japan in 1945, the North proclaimed that “the South is a complete colony and a military base of the United States, and the socio-economic structure of its society still displays semi-feudal characteristics with no substantial changes from those under the Japanese rule.”

Recently, however, the North no longer defines the South as a “semi-feudal society,” but instead, as a “semi-capitalist society where the independence of a broad range of the working mass is restricted by a particular class through an abnormal and vicious capitalistic means of exploitation.”

It also denounces the ROK government as “a puppet regime that is nothing more than a cover for the American colonial rule and a colonial, subordinative reactionary government that represents the interests of landowners, comprador capitalists, and reactionary bureaucrats.”

Such a view of South Korea has led North Korea to the conclusion that the only legitimate government on the Korean peninsula is the Democratic People's Republic of Korea. Therefore, the North believe that the South is a subject that should be integrated into their system.

### ***North Korea's View of Unification***

Pyongyang claims that the national division has been caused by the United States, which has forcefully occupied the South and placed it under colonial rule. Accordingly, the North does not view the unification as a process of integrating the divided national society, but rather as the completion of a “national liberation and peo-

ple's democratic revolution which has not been fully achieved due to American imperialism" or, in short, a "Korean revolution."

The North Korean communists believe that once national inconsistencies are resolved through "national liberation" and class contradictions are resolved through the "people's democratic revolution," a people's government will finally be established in the South. When such an event takes place, they believe, unification will be possible through cooperation between the people's governments in the South and the North. This will then mark the completion of the "Korean revolution." The North Koreans still hold such a belief.

In other words, the North Korean approach to unification and intra-Korean relations is based on a revolutionary attitude that considers the process as a progressive step toward its immediate goal—that is, a socialist revolution. Its position is reaffirmed in the preamble of the constitution of the [North] Korean Workers Party, which states that "the immediate goal of the [North] Korean Workers Party is to achieve a perfect victory in the northern half of the republic in order to complete the national liberalization and fulfill the tasks of people's democracy in the entire Korea, and the ultimate goal of the party is to spread the Juche ideology throughout the Korean peninsula and build a communist society on it."

### ***North Korea's Principles of Unification***

In presenting its position on national unification, North Korea has put forth different sets of principles over time. Despite the changes, however, Pyongyang has consistently insisted upon the idea of "self-reliance" as the basic principle in its unification formula throughout time. With the emphasis on the idea of "self-reliance,"

the North has tried to justify its demand for the withdrawal of American troops from the South and to complete the communist revolution on the peninsula.

At the birth of the North Korean regime, Pyongyang set forth the Basic Principles for National Unification which called for “self-reliance, democratic principles, and peaceful means.”

Later, it announced a series of changes in those principles in order to “adjust them rationally according to the changes in domestic and international environments and to the demands of the progress of revolution”: the Three Principles of Independence, Peaceful Unification, and Great National Unity of 1972, the Five Point Program for Unification of 1973, the Five Principles for Unification of 1990, and the Ten Point Program for the Great Unity of the Korean People for Unification of 1993.

All these principles and programs, however, have been presented as strategic and tactical means to achieve “national unification through a communist revolution in the South.”

## **2. North Korea’s Strategies for Unification**

### ***Revolution for National Liberation and People’s Democracy***

The preamble of the [North] Korean Workers Party defines the nature of the revolution that must be carried out in the South as a “revolution for national liberation and people’s democracy.” As a step prior to a “Korean revolution,” its immediate aim is not to establish a socialist or communist regime, but to create a people’s democ-

ratic or pro-communist government in the South that would carry out such a task.

“National liberation” here refers to regaining the independence of South Korea from the colonial rule of American imperialism. “People’s democracy,” on the other hand, is defined as a transitional stage in which the oppressed laboring masses in South Korean society including the proletariat and the peasants are freed from subordination by the ruling class—including landowners, capitalists, and reactionary bureaucrats—and carry out a social reformation through the formation of a communist coalition government to move toward socialism.

Based on such strategies, North Korea’s unification formula thus calls for the following steps in achieving national unification: the withdrawal of American troops from South Korea → overthrow of the anti-communist government → establishment of a pro-communist people’s democratic regime → unification under communism through cooperation with North Korea. In short, Pyongyang’s position can be summed up in this phrase, “First, revolution in the South; then, unification under communism.”

### ***Strengthening of the Three Revolutionary Forces***

The North Korean regime has spent a long time developing what it considers as the three crucial factors in completing the communist revolution in the South: the emergence of North Korea as a powerful, impregnable revolutionary base of support, the development of a sufficiently strong revolutionary force in South Korea, and the full and undivided support from international revolutionary forces. Internally, North Korea’s efforts to strengthen those

three revolutionary forces were designed to increase the possibility of a communist revolution in the South based on the democratic revolutionary base strategy.

In order to increase the revolutionary capability of its society, the North Korean regime has stressed three measures, including the reinforcement of political indoctrination of North Korean people based on the system of “*Juche*” ideology, strengthening of its economic capability to back up political and military strength, and fortification of military capability as a means to guarantee victory in revolution.

At the same time, Pyongyang has attempted to maximize the confrontation of conflicting elements within South Korean society while expanding the underground pro-communist organization. It also tried to create a Unified Front for Unification, which has taken after the its predecessor, the Democratic National United Front, with a focus on “completing the task of national liberation.” The unification front thus created is to push South Korean society into chaos and debilitate the strength of anti-revolutionary forces that guard liberal democracy against subversive forces, thereby reinforcing the strength of the revolutionary group in South Korean society and increasing the chance for revolution from within. In addition, North Korea has increased diplomatic efforts to create an international environment favorable to its struggle to communize the Korean peninsula.

### ***Peaceful Means and Military Force***

North Korea has employed both peaceful means and military force in its pursuit of national unification. On one hand, Pyong-yang

has attempted to first complete the people's democratic revolution within South Korea, and then, absorb the new revolutionary government into the North Korean regime, or when the present government is replaced by a coalition or pro-communist regime, to achieve unification through cooperation with the new regime. In short, the peaceful means Pyongyang claims to pursue is nothing more than an indirect attempt to achieve national unification by dividing up South Korean society. The "main link" in such a tactic is the unification formula that involves a proposal for an intra-Korean confederation.

Pyongyang, at the same time, has never ceased to desire to achieve national unification through the use of force. Its consistent demand for the withdrawal of American troops from the South is also intended to create a favorable environment for an invasion of the South. On the surface, the North has continuously published propaganda that it is peace-loving and rational and pursues unification through negotiation. In reality, however, the Pyongyang regime places much more weight on its military build-up in preparation for an armed invasion. The basic strategic tools in North Korea's revolutionary policy constantly used in complement with the means for peace are: the principle of "First, revolution in the South; then, unification via communist cooperation," strengthening of the three revolutionary forces, and the theory of revolution for national liberation and people's democracy.

### ***The United Front***

Formation of a united front is one of the basic tactics communists deploy during the process of revolution. When their own capabili-

ties are strong enough to defeat the primary enemy, communists have no need for a united front. When, however, their own capabilities are not strong enough, the communists try to build a temporary coalition with all the parties that currently oppose the primary enemy. Then, after defeating the primary enemy with their help, the communists would eliminate all the others except those who support them.

Having incorporated this tactic in its plan for a revolution in South Korea, the Pyongyang regime has stressed that “revolutionary organizations in the South must try their best to create an Anti-US, National Salvation Unification Front with the participation of all patriotic parties and social institutions and groups and individuals from every social class and field under the banner of anti-imperialism and anti-fascism.”

In June 1949, North Korea in fact established a unification front under the name of the Democratic Front for the Reunification of the Fatherland. Recently, there have been several similar organizations very active within South Korea and abroad, including the Pan-Korean Alliance for Reunification .

### **3. Changes in the Confederation Formula**

Ever since it first proposed a unification formula based on a Korean confederation in the 1960's, the North has remained steadfast to this particular format of unification despite of the numerous minor adjustments it has made in the formula in order to accommodate changes in the environment. North Korea's strategic interests in this formula are to communize the entire Korean peninsula by

accomplishing the withdrawal of American troops from the South and overthrowing the South Korean government.

## **1 — Changes in North Korea's Formula Over Time**

### ***The 1960's: An Introduction of Confederation***

North Korea's Kim Il-sung first proposed a 'confederation' as a means of unification in his speech during the ceremony marking the 15th anniversary of national liberation on August 14, 1960. The North Korean leader said that "if South Korea is not yet prepared to accept a free all-Korea general election, ... as a provisional measure, [North Korea] proposes a confederation system between the two Koreas."

North Korea's proposition, however, contained several noticeable peculiarities. First, it admitted that a free all-Korea general election is the most rational and feasible means to peaceful unification. Second, it recognized the existence of two distinctive political systems on the Korean peninsula and admitted that the confederation would be only a provisional arrangement. Third, a characteristic of a union of nations was embedded in it since it suggested the establishment of a Supreme National Congress composed of representatives from each government as an apparatus for discussion and coordination.

### ***The 1970's: Confederal Republic of Koryo***

On June 23, 1973, North Korea published the Five Point Program for Unification which included (i) clearance of military confrontation, (ii) cooperation and exchanges in various areas, (iii) convocation of a Great National Congress, (iv) formation of a confederation,

and (v) entry into the United Nations under a single name.

In comparison with the version Pyongyang put forward in the 1960's, this new proposal replaced the Supreme National Congress composed of government representatives with the Great National Congress which was closer in its format to an assembly of the general public. This was apparently intended not to recognize the legitimacy and authority of the South Korean government. At the same time, by proposing the name the "Confederal Republic of Koryo," the North was probably trying to increase the value of the symbolism and the effectiveness of the propaganda its new proposition would have. Koryŏ was the name of an ancient Korean kingdom that lasted from A.D. 918 to A.D. 1392. Its capital was located in the North Korean region now known as Kaesŏng.

### ***The 1980's: Democratic Confederal Republic of Koryo***

At the Sixth Congress of the [North] Korean Workers Party convened on October 10, 1980, North Korea expanded its existing unification formula and came up with the Formula for Creating a Democratic Confederal Republic of Koryo. The ideas of the new formula might be summed up as follows: first, preconditions for a self-reliant peaceful unification should include (i) replacement of the incumbent South Korean regime, (ii) abolishment of the anti-communist and national security laws, (iii) legalization all political parties and social organizations, and (iv) release of democratic activists and patriots (i.e. pro-communist activists); second, in relation to formation of confederation, a Supreme National Confederal Assembly would be established with an equal number of representatives from both governments, along with a few representing Koreans living

abroad, as its members, and a Confederal Standing Commission would be created to supervise local governments of the South and the North; third, after the confederation is completed, policies that should be implemented by the unified confederal Korea would be the Ten-point Political Program for a Unified State, which include: (i) pursuit of grand national unity, (ii) intra-Korean economic cooperation and exchanges, and (iii) creation of a Combined National Army.

### ***The 1990's: A Reinterpretation of the Confederation Formula***

In his New Year's message in January 1991, Kim Il-sung disclosed a tactical change from his previous position on the confederation formula. "Under the circumstances where two different systems exist in the North and the South, unification of fatherland should be achieved on the principle that neither side takes over the other or is taken over by the other and in the form of a confederation with one people, one nation, two systems, and two governments.... The task to combine the two systems into one should be resolved gradually thereafter and left in the hands of future generations, but the establishment of a single unified nation that transcends the differences in ideology and system must not be put off any longer."

In the light of North Korea's steadfastness to the existing Democratic Confederal Republic of Koryo, Kim's statement reflected a significant change in North Korea's attitude on unification. First of all, he made a distinction between unification by the integration of systems and unification by a confederation. He argued that the former presupposed the taking over of one side by the other, which

could not be acceptable and should thus be strongly opposed. Reflected in his argument was North Korea's serious worry about the possibility of being taken over by South Korea, just like East Germany had been absorbed in the process of the German unification which was predominantly achieved on West German initiatives.

Moreover, the confederation under one people, one nation, two systems, and two governments was an incomplete formula because it did not present a blueprint for the unified Korea. This insinuates that North Korea has now begun to consider the confederation as an interim arrangement, rather than as an ultimate end in itself.

## **2— Contradictions in the North Korean Proposition**

As was noted above, North Korea's confederation formula has undergone numerous changes since it was first introduced in August 1960. Nonetheless, in general, the North Korean formula includes the following contradictions or inconsistencies:

First, North Korea presents two preconditions for the confederation up front: the withdrawal of American troops from the South and overthrow of the anti-communist regime. It is a scheme based on the doctrine of "revolutionization of South Korea."

Second, although North Korea insists on forming a confederation "while the North and the South recognize and accept the ideology and system existing in each other's society as they are," the creation of a confederation with two distinctively different systems is impossible in reality.

Third, North Korea is ambiguous on whether it is proposing a federation or a confederation. Though the proposed arrangement is

formally called a “confederation,” its described structure is closer to that of a “federation.”

Fourth, despite its proposition of a confederation, North Korea arbitrarily compels the South to accept the name, format, and foreign policy of the unified nation as proposed by it.

Fifth, Pyongyang’s promulgation of the Ten-point Political Program for a Unified Korea as a plan to be implemented *after* unification under a confederation renders the implementation of those measures meaningless in the process of unification when they are rather needed to prepare a favorable environment for the process of unification.

In short, the underlying strategic interest of North Korea in its proposal of a confederation is to achieve communization of the South by building a pro-communist coalition once the attendant preconditions are met. In other words, the confederation is nothing more than a superficial formality and North Korea’s underlying intent is the communization of the Korean peninsula. This idea is rooted in the doctrine of revolutionization of the South. Therefore, unless the North abandons its revolutionary strategy, no sincere and substantial change can be expected in its confederation formula.



# IV

---

---

## INTRA-KOREAN DIALOGUE



# 1. Progress of Dialogue

## 1— Overview

Intra-Korean dialogue is an indispensable element in clearing up the mistrust and tension between the two Koreas. Indeed, it provides the shortest way to overcome the division and to achieve a peaceful unification through a means other than force or violence. Until the 1970's, however, substantial talks or contact between South and North Korea had hardly taken place. During the post-war era the Korean peninsula was subjected to the international order of the Cold War regime led by the United States and the Soviet Union. Under such an environment, North Korea adhered to the communist revolution line while South Korea maintained a strong anti-communist policy.

Intra-Korean dialogue began in the 1970's as the two superpowers searched for a way to achieve peaceful co-existence. The world enjoyed a mood of detente with China's entry into the United Nations and the improvement in US-China relations. The initiative for the intra-Korean dialogue was first taken by South Korea. In a

commemorative speech on Liberation Day on August 15, 1970, President Park Chung-hee announced the Ideas for Peaceful Unification. In this statement, he made it clear that he was willing to “make an epochal, yet practical proposal to remove the artificial barriers lying between the two Koreas step by step.” He also urged North Korea “to join in a competition to prove which of the two systems, democracy or communism, can provide better living and better social conditions for its people.”

A year later, the National Red Cross of the Republic of Korea (KNRC) proposed an intra-Korean conference to its North counterpart. When the Red Cross Society of the Democratic People’s Republic of Korea (RCSNK) accepted, this led to the first intra-Korean dialogue since the end of the Korean War. Subsequently, on July 4, 1972, the governments of South and North Korea came to an agreement on the principles for unification. The results were stated in the South-North Joint Communique which was announced simultaneously in Seoul and Pyongyang. Unfortunately, these efforts by South Korea in the 1970’s produced no further progress because a year later North Korea made a unilateral declaration that it was terminating all intra-Korean dialogue.

Intra-Korean dialogue during the 1980’s took place in more varied fields than during the 1970’s, with a certain degree of progress being made. Some major events in intra-Korean dialogue took place during this decade: athletic talks to form a single national team for the 1984 LA Olympic games; a Red Cross meeting on North Korean assistance for the South Korean flood victims; athletic talks in Lausanne, Switzerland, in 1985; simultaneous exchange of visits by separated families and artistic performers in 1985; economic talks; and parliamentary talks.

Over these years South Korea's aim was to dissolve the mistrust and enmity between the two Koreas and lay a foundation for peaceful unification. North Korea, on the other hand, exposed its limitation on improving the intra-Korean relations. Regardless of the type and the agenda of the meeting, Pyongyang invariably put forward political and military issues first, as a means of implementing its communist strategy.

Intra-Korean dialogue in the 1990's has shown a significant progress in both quantity and quality. Most of all, after a series of high-level talks held from 1990 to 1992, the South and the North have come to adopt the Agreement on Reconciliation, Nonaggression and Exchanges and Cooperation Between the South and the North (better known as the Basic Agreement) and the South-North Joint Declaration of the Denuclearization of the Korean Peninsula (the Joint Declaration). These two documents were a promise between the two Koreas to end the period of conflict and confrontation and move into a new age of reconciliation and cooperation. These marked a milestone in the road to peaceful unification.

Unfortunately, the dialogue came to a halt in 1993 when international suspicion mushroomed over North Korea's alleged development of nuclear weapons. Nonetheless, the Kim Young-sam Administration, which was inaugurated in February 1993, has been aggressive in making a series of propositions to resume the intra-Korean dialogue. An Intra-Korean summit, high-level talks, and the exchange of special envoys to resolve the nuclear question as well as other pending issues were proposed one after another.

## 2 — Intra-Korean Dialogue in the 1970's

### *South-North Red Cross Talks*

In a special statement issued on August 12, 1971, the KNRC proposed to hold intra-Korean Red Cross talks with the RCSNK to discuss ways to ease the pain of separated families in the South and the North. The RCSNK accepted this proposition, thereby opening a new chapter in intra-Korean relations.

The first preliminary meeting of two organizations took place in September 20, 1971. Afterwards, there were twenty-five preliminary meetings and sixteen closed-door working-level conferences before the two sides finally came to a complete agreement on the details for the main meeting on August 11, 1972.

During these preliminary meetings the two sides also reached an agreement on several technical matters that would help the main talks to proceed smoothly. These included: the establishment of liaison offices in the Panmunjom area, the permanent stationing of liaison officers, and installation and operation of a direct phone line between the liaison offices. As a result, a direct line was established between the two Koreas for the first time in 26 years since it had been disconnected.

The agenda agreed upon at the twentieth preliminary meeting held on June 16, 1972 were as follows:

- Ascertainment and notification of the whereabouts and the fate of the separated families and relatives on both sides
- Free visits and meetings among the separated families
- Free exchange of mail
- Reunion of the separated families according to their own wishes

— Other humanitarian issues

Through these meetings the two sides also reached an agreement on the procedural details of the main meeting. These procedural matters included: the place and date, security of delegates, travel procedures, the length of stay and schedule of the talks, emblems, equipment and belongings, transportation and communication, activities outside the conference room, conference facilities, recording of the talks, opening of the talks to the public, press coverage, conference proceedings, drafting and announcement of agreements, provision of other conveniences, and the number of delegates traveling across the DMZ.

The main meeting was first held on August 29, 1972, which was followed by six more meetings sponsored alternately by Seoul and Pyongyang until August 28, 1973, when the North announced the discontinuation of the talks.

*Coordinating Committee*

Having held a series of behind-the-scene meetings since November 20, 1971, the South and the North finally completed all the necessary groundwork for an exchange of visits by the South Korean Director of the Central Intelligence Agency Lee Hu-rak and the North Korean Workers' Party Director of the Organization and Guidance Department Kim Young-joo. Director Lee, with his three attendants, visited Pyongyang from May 2 to May 5, 1972. In return, on behalf of Director Kim, the North Korean Vice Premier Park Sung-chul paid a visit to Seoul from May 29 to June 1.

After exchanging visits, the two sides announced on July 4, 1972, the South-North Joint Communiqué which included the three prin-

ciples for unification. The communique gave birth to the South-North Coordinating Committee, co-chaired by Directors Lee and Kim and composed of three to five representatives from each side. The two sides also agreed to establish several subcommittees in order to promote intra-Korean exchanges and cooperation in various fields. The Joint Communique of July 4 included the following details:

- Confirmation of independent efforts, peaceful means, and great national unity as the three principles for unification
- Discontinuance of defamation and slander and armed provocation against each other
- Promotion of intra-Korean exchanges in various fields
- Installation of a direct telephone line between Seoul and Pyongyang
- Creation and operation of a South-North Coordinating Committee

Three meetings between the Co-Chairmen of the coordination committee were held thereafter. Through these meetings convened from October 12 to November 30, 1972, the two sides signed and exchanged the Agreement on Establishment and Operation of a South-North Coordinating Committee.

The first meeting of the Coordinating Committee was held on November 30, 1972, and three more meetings were convened thereafter. Nevertheless, the two sides failed to reach any agreement. On August 28, 1973, the North arbitrarily declared to suspend the meeting, claiming that president Park Chung-Hee's June 23 Special Foreign Policy Statement on Peace and Unification was an attempt to consolidate the national division.

### **3— Intra-Korean Dialogue in the 1980's**

Starting with the working-level meeting to prepare for the prime ministerial talks, intra-Korean dialogue during the 1980's flourished in various areas including the Red Cross, parliamentary, economy, and sports fields. Moreover, some tangible progress was made in the cases of delivery of assistance for flood victims and exchange of visits to Seoul and Pyongyang by separated families.

#### ***The Working-level Meeting in Preparation of Prime Ministerial Talks***

On January 11, 1980, North Korea proposed a conference between the prime ministers of the two Koreas. Consequently, the South formed a three-member delegation headed by a vice minister-level official and suggested to the North that a working-level conference be held to prepare the necessary procedures. The North accepted the suggestion. As a result, ten working-level meetings were held from February 6 to August 20 in the same year.

The North, however, only reiterated its political propaganda at the table without showing any sincere interest in working out the necessary procedures. On September 24, two days before the scheduled date of the eleventh meeting, Pyongyang arbitrarily declared the suspension of the meeting in a radio broadcast, and the meeting broke up without further due.

#### ***Athletic Talks in Lausanne***

In September, the 84th General Meeting of the International Olympic Committee (IOC) held in Baden-Baden decided that Seoul

would be the site for the 1988 Summer Olympic Games. Subsequently, North Korea tried its best to have the site for the Games changed. The North Koreans argued that the Seoul Olympics would further consolidate the division of the country in light of the existing tension on the Korean peninsula. It would, they argued, be inconsistent with the fundamental spirit of the Games.

Having faced with such an unexpected development, the IOC chairman Juan Antonio Samaranch suggested that intra-Korean talks on the issue be held under the supervision of the IOC. This suggestion was presented to the national Olympic committees of South and North Korea through a formal resolution of the IOC Executive Committee in February 1985. Under the premise that the decision of the IOC General Meeting must be respected, the Korean Olympic Committee (KOC) agreed to this suggestion a month later. The North, on the other hand, repeated its demand for change of the site and rejected the talks. On July 6, however, it suddenly changed its position and expressed a willingness to participate in the talks.

The talks were held four times in secret at the IOC headquarters in the Swiss city of Lausanne from October 8, 1985 to July 15, 1987. The talks progressed in a trilateral format in which the IOC played the role of arbitrator while introducing a compromise plan for the two Koreas. At the talks, the North proposed to form a single team to represent the two Koreas in the Seoul Olympics and asked the IOC to make it a fully-equal co-sponsorship by giving the North the right to host exactly half of all the events.

In reply, the South pointed out that the IOC decision to award the right to organize the 24th Olympiad to the City of Seoul was irrevocable. Nevertheless, South Korea suggested its willingness to allo-

cate the preliminary rounds in two or three events and to enter the stadium together at the opening and closing ceremonies.

The final compromise drafted by the IOC included allocation of table tennis, archery, women's volleyball, one division of preliminary rounds in soccer, and men's cycling road race. Nevertheless, the North rejected such an offer and the talks ended.

### ***Red Cross Talks***

On September 8, 1984, the RCSNK asked the KNRC for cooperation in providing rice, clothing, cement, and medicine for flood victims in the Seoul and Kyonggi-do (a province around the City of Seoul) area. The KNRC accepted the offer. As a result, working-level conferences were held to prepare for receiving of these commodities.

Through two working-level meetings, the two sides came to an agreement on details for the delivery of the commodities, including the methods of delivery, and the provision of facilities and security for the North Korean personnel. Shortly after, the North delivered 7,200 tons of rice, 500,000 meters of fabric, 100,000 tons of cement, and a large amount of medicine from September 29 to October 4.

Having received the North Korean assistance, the KNRC proposed to resume the talks with the RCSNK in an effort to expand the intra-Korean exchanges and cooperation. After the RCSNK agreed to this, a preliminary meeting for the eighth round of the Red Cross talks was resumed at Panmunjom on November 20, 1984, eleven years after the talks ended at the seventh round in 1973.

At the meeting both sides agreed that the agenda for the forthcoming main talks would be the topics that were agreed upon at the

twentieth preliminary meeting on June 16, 1972, and that the talks would be held in Seoul and Pyongyang.

The North, however, postponed the date, citing the threat caused by the Team Spirit, an annual US-ROK joint military exercise. Finally, the eighth round of the Red Cross talks was convened in Seoul on May 27, 1985. The North dispatched to Seoul, via Panmunjom, a delegation which consisted of eighty-four people, including seven delegates, seven advisors, twenty attendants, and fifty reporters.

At the main conference the KNRC expressed its wish to immediately start searching for the lost members of separated families. It proposed that even before the two sides came to an agreement on how to implement the five agenda topics an exchange of a certain number of separated family members be allowed on August 15, Korea's Liberation Day, as a pilot project. It also suggested the creation of a Joint Committee of KNRC and RCSNK and a Joint Panmunjom Office as administrative bodies to carry out such a task.

The RCSNK, on the other hand, proposed to discuss first free intra-Korean travel by the separated families and their relatives. At the same time, it suggested the exchange of troupes of performing artists in August. According to the North Korean plan, a performing troupe from each side, composed of about one hundred members of each, would give a congratulatory performance in Seoul and Pyongyang.

The KNRC accepted the offer and in turn proposed that the exchange of the separated families and performing troupes occur simultaneously on August 15. The RCSNK accepted this offer and agreed to have a separate working-level meeting to prepare for such visits.

In accordance with the agreement made at the eighth round of the Red Cross talks, working-level meetings were held several times between May 29 and August 28 in order to work out the details for the exchange of hometown visits by separated families and of performing troupes. As a result, the two sides agreed that the visits would be made simultaneously for four days and three nights starting from September 20. In addition, they agreed that the exchanges of hometown visitors and the performing troupes would be limited to fifty each, while those of reporters and supporting staff would be thirty and twenty, respectively. The places allowed to be visited were also limited to Seoul and Pyongyang.

Accordingly, the simultaneous exchange was made as scheduled, providing a chance for the separated families to meet with each other for the first time in the forty years of national division. Among the South Korean visitors to Pyongyang, 35 of them were able to meet with 41 family members or relatives, while 30 North Korean visitors met with 51 of their relatives in Seoul. Meanwhile, the performing troupes from each side performed twice, on September 21 and 22, in the two capitals.

On August 27, the ninth round of the talks was held in Pyongyang and a few months later, on December 2, the tenth round in Seoul. However, these rounds ended in failure because the two sides could not resolve the differences on the contents of the agreement. The only point they could agree upon was that the next round of the talks would be held in Pyongyang on February 26, 1986. The eleventh round was, however, postponed indefinitely when the North announced the suspension of the meeting in protest of the Team Spirit '86. Team Spirit is basically a combined military exercise of the defensive nature between the United States and the Republic of

Korea. It is not an offensive exercise as North Korea insists. Therefore, North Korea's protest was a mere excuse to discontinue the Red Cross talks.

### ***Economic Talks***

On October 4, 1984, right after receiving the North Korean assistance for flood victims, South Korea proposed talks to discuss intra-Korean trade and economic cooperation. On November 15, the first round of economic talks between the two Korea took place at Panmunjom.

The two main agenda items proposed by the South were the opening of intra-Korean trade and the promotion of intra-Korean economic cooperation. Under the first agenda, the South presented ten sub-areas for discussion, including trade items, trade volume, methods of trade, and currency of settlement. It also suggested the signing of a trade agreement and detailed procedures between the two Koreas prior to engaging in intra-Korean trade. In addition, the South expressed its willingness to make joint investments in various industries, including exploitation of resources such as coal and iron ore, manufacturing of household electronic goods such as color TVs and audio systems, production of synthetic fibers such as polyester, production of medicines and cosmetics, tourism and marine transportation, and various areas of the service sector. Finally, it proposed to establish a Committee for South-North Economic Cooperation for the smooth and continuous promotion of intra-Korean trade and economic cooperation. The committee was to consist of government officials and business representatives from both sides.

The North, on the other hand, insisted on limiting the agenda to

the “opening of joint venture and exchanges between the North and the South” and proposed to talks on trade items, methods of trade, and means of transportation.

Although a total of five rounds of talks were held by November 1985, the two sides could not resolve their differences. Thus, in January 1986, the economic talks were terminated as the North arbitrarily declared the indefinite postponement of all the intra-Korean talks.

### *Parliamentary Talks*

On April 9, 1985 the North proposed to convene talks between the legislative bodies of the two Koreas in order to discuss the adoption of a joint declaration of nonaggression and to begin the preliminary meetings for it in early May. The ROK National Assembly welcomed this proposition, and on July 23, a preliminary meeting was held at Panmunjom. At the meeting the two sides agreed on the following points:

- The format of the talks should be discussed between the representatives of the legislative body of each side.
- Each delegation should consist of eleven representatives.
- The place for the talks would alternate between Seoul and Pyongyang.

The actual talks, however, never took place because the two sides failed to reach an agreement on the agenda for the main talks at the second round of the preliminary meetings. As the North suspended intra-Korean talks in every field on January 20, 1986, discussions on the parliamentary talks also came to a halt.

Later in July 1988, at the initiative of the ROK National Assembly, the two sides met ten times between August 1988 and January 1990, but the differences still remained unresolved. In February 1990, the North once again declared the indefinite postponement of all intra-Korea dialogue.

#### **4 — Intra-Korean Dialogue in the 1990's**

##### ***High-level Talks***

On December 28, 1988, in his letter to North Korean Premier Yon Hyong-muk, the South Korean Prime Minister Kang Young-hoon proposed prime ministerial talks to discuss the pending issues including building mutual confidence and reducing tension between the two Koreas. In response, the North agreed to convene high-level politico-military talks and proposed to hold a preliminary meeting on February 8, 1989.

Subsequently, the South and the North held eight rounds of preliminary meetings until July 26, 1990, and decided to name the main meeting the "South-North High-level Talks." The agreed-upon agenda of the talks included "resolution of political and military confrontations between the two Koreas and the promotion of intra-Korean exchange and cooperation in various fields."

The main meetings of the high-level talks were held eight times according to the procedures and agenda agreed upon in the preliminary meeting.

**Table 4-1 The Main Meetings of the High-level Talks**

Round	Date and Place	Proposition and Agreement
1st	Sept. 4-7, 1990; Seoul	South: Draft for the Basic Agreement on Improvement of Intra-Korean Relations; Various measures to promote intra-Korean exchange and cooperation; Measures to build confidence in political and military areas North: Three principles abided by in the process of the talks and entry into the United Nations; the Team Spirit Exercise; Release of prisoners charged with illegal visits to the North (These were the so-called "Three Urgent Issues.")
2nd	Oct. 16-19, 1990; Pyongyang	South: Revised draft for the Basic Agreement on Improvement of Inter-Korean Relations; Free travel, free communication, and free trade (These were known as the "Three Areas of Free Interaction.")
3rd	Dec. 11-14, 1990; Seoul	North: Draft for the Declaration of Nonaggression and Reconciliation and Cooperation between the North and the South
4th	Oct. 22-24, 1991; Pyongyang	Agreed on adoption of a single document and on the name, contents, and structure of the document
5th	Dec. 12, 1991; Seoul	The Agreement on Reconciliation, Nonaggression and Exchanges and Cooperation between the South and the North (thereafter the Basic Agreement) adopted and signed

continued

Round	Date and Place	Proposition and Agreement
6th	Feb. 19, 1992; Pyongyang	The Basic Agreement and the Joint Declaration of the denuclearization of the Korean Peninsula effectuated The Agreement on the Formation of Subcommittees of the Intra-Korean High-level Talks signed and effectuated
7th	May 5-8, 1992; Seoul	Three separate Agreements to Establish a South-North Joint Military Commission, a Joint Commission for Exchanges and Cooperation, and South-North Liaison Offices adopted and effectuated
8th	Sept. 17-18, 1992; Pyongyang	The Agreement to Establish A South-North Joint Reconciliation Commission and three separate protocols on the compliance with the implementation of Chapters I, II, and III of the Basic Agreements adopted and effectuated

### ***Subcommittees of High-level Talks***

#### **— Subcommittee on Political Affairs**

In accordance with the agreement made at the sixth round of the high-level talks, the Subcommittee on Political Affairs, which is responsible for discussion of the measures to implement the agreement in relation to intra-Korean reconciliation, met a number of times after the first round of the main meeting on March 9, 1992. These meetings included six more rounds of the subcommittee meeting during the main meetings, three contacts between its Co-

Chairmen, and five contacts between the committee members.

Although differences in the format and the general provisions of the agreement were revealed at these meetings, the two sides eventually came to an agreement through a compromise between the Co-Chairmen during the eighth round of the high-level talks. They agreed in principle to respect each other's governmental authority and power, to resolve the issues of legal and structural reformation through working-level conferences on legal matters, and transform the current status of truce into a new structure for durable peace. In addition, the two sides agreed to further discuss the issues raised by the North later in the future meetings of the subcommittee. These issues included applying for joint-membership in international organizations, non-participation and non-cooperation in the acts of any third country that might infringe on interests of either side, and revising or abolishing of these treaties that each of them had signed with other countries. These issues were written into the protocol on intra-Korean reconciliation as unresolved items.

The North wished to postpone the discussion on the establishment of the South-North Liaison Offices, arguing that the existing Red Cross liaison offices could easily be used for such purpose. The South, however, insisted that the discussion be completed first since there was a certain time limit. The agreement on this issue was finally adopted at the contact between the Co-Chairmen during the eighth round of the high-level talks.

#### — Subcommittee on Military Affairs

The first round of the subcommittee meeting to discuss the measures to implement the intra-Korean agreements on nonaggression

and the easing of military confrontation was held on March 13, 1992. Afterwards, there were seven rounds of the main meeting, three contacts between the Co-Chairmen, and three contacts between the committee members.

Initially, the two sides could not agree on the establishment of an Inter-Korean Joint Military Commission nor on the installation of a direct telephone line between the two military authorities. Nonetheless, as a result of compromise at the third meeting of the subcommittee, they finally decided to integrate the latter issue into the protocol and also agreed on the name of the agreement and the title and contents of each section.

Furthermore, at the meeting held during the eighth round of the high-level talks, the two Co-Chairmen of the subcommittee agreed on the prohibition of the use of military force in all forms and of any type of armed provocation. They also agreed on the prohibition of any act of penetration, attack, and occupation of the areas under the other's jurisdiction, the resolution of conflict through an organization agreed upon by both sides, and joint investigation and the joint preparation of corrective measures in case of violation. The protocol on non-aggression was adopted with an additional note that issues regarding the discontinuation of the arms build-up in the DMZ, espionage against the other party imposition of blockade on territorial air and territorial waters of the other party, and guarantee of security for the Seoul and Pyongyang areas "would be further discussed by the South-North Joint Military Commission" since these were issues related to confidence building and arms reduction as described in the Basic Agreement.

— Subcommittee on Exchanges and Cooperation

The Subcommittee on Exchanges and Cooperation dealing with the implementation of the Basic Agreement in such areas of the intra-Korean relations met sixteen times in total beginning on March 18, 1992. These meetings included seven rounds of the main talks, three contacts between the Co-Chairmen, and six contacts between the committee members.

At the seventh round of the talks, the two sides reached agreement on a protocol composed of five articles with thirty provisions. However, differences still remained on the questions of the requirement of permission by the authorities for intra-Korean exchanges and cooperation, the abolishment of legal and structural barriers, the secure exchange of mail and electronic communications between separated families, the establishment of a mutual meeting facility, and the resumption of the Red Cross talks.

At the contact between co-chairmen held on September 7, however, the two sides reached a compromise on a number of points including the following: (i) making the secure exchange of communications related to public and humanitarian projects a top priority, (ii) defining the range of separated families and the establishment of a facility for meetings through the discussions between the KNRC and the RCSNK, (iii) immediate resumption of the Red Cross talks, and (iv) completion of required procedures when the parties involved in intra-Korean trade sign a contract for exchange of commodities and other forms of economic cooperation.

In completing the protocol on September 16, the two chairmen reached an agreement to insert a phrase which stated that “the abolishment of these legal and structural obstacles which hinder

free travel back and forth of the members of the national community shall be discussed at the working-level conference on legal matters of the South-North Joint Reconciliation Commission.”

### ***Nuclear Talks***

From December 26 to 31, 1991, there had been three rounds of meetings between the South and the North. The result of these meetings was the Joint Declaration of the Denuclearization of the Korean Peninsula.

In accordance to the Joint Declaration, the first round of the nuclear talks was held on February 19, 1992, to discuss the creation of a Joint Commission for Control of Nuclear Weapons, an executive apparatus for the implementation of the declaration.

The two sides had six more rounds of talks thereafter until they finally adopted an Agreement to Establish South-North Joint Nuclear Control Commission and announced a joint statement that included the deadline for the adoption of inspection procedures. Also included in the joint statement were the format and schedule for exchange of the Agreement and an agreement to endeavor together for the denuclearization of the Korean peninsula.

The Joint Commission met twenty-three times from March 19 to December 17. Though the two sides discussed the rules for cross inspection and actual conduct of the inspections throughout these meetings, no substantial progress was made until the agreed deadline expired.

## ***Athletic Talks***

### — The Beijing Asian Games

On December 21, 1988, the North Korean Olympic Committee (NKOC) proposed to the KOC to form a single national team to compete in the Asian Games scheduled to be held in Beijing in September 1990. The KOC agreed to have a series of talks between the representatives of both organizations. Following this, nine rounds of the main meetings along with six rounds of working-level meetings took place from March 9, 1989 to February 7, 1990. The progress of these meetings was as follows.

**Table 4-2 An Overview of Intra-Korean Athletic Talks**

Round	Date	Agreements
1st	Mar. 9, 1989	Team Song: <i>Arirang</i> from the 1920's
2nd	Mar. 28, 1989	Team Flag: No writing in foreign language Selection of Players: Through joint exercises
3rd	Oct. 20, 1989	Team Flag: Sky blue map of the Korean peninsula on a white background
4th	Nov. 16, 1989	Team Name: KOREA
5th	Nov. 24, 1989	All other issues except selection of the head of the team
6th	Dec. 22, 1989	Head of the Team: Appointed by the side from which more players are selected Joint Secretariat: Established in Seoul and Pyongyang
7th	Jan. 18, 1990	None
8th	Jan. 29, 1990	None
9th	Feb. 7, 1990	The North arbitrarily announced suspension of the talks.

The talks were futile because the North unilaterally declared its suspension after presenting three points as the prerequisites for its continuation. These three points were:

- That the South publically declare that it would not participate in the Beijing Asian Games as an individual team
- That the South withdraw its demand for measures to guarantee the implementation of the agreement
- That the South take back what a ranking South Korean sports official said regarding separate participation in the Games

#### — Intra-Korean Soccer Match

Though the two Koreas failed to form a single national team for the 1990 Beijing Asian Games, the sport officials from both sides who went to observe the Games could confirm the possibility for intra-Korean athletic exchanges. Thereafter, the officials of both Olympic Committees held three rounds of talks and agreed on an exchange of intra-Korean soccer matches. According to this agreement, the first inter-Korean match was held in Pyongyang from October 9 to 13, 1993. It was soon followed by the second match held in Seoul from October 21 to 25. During these matches, the players had no national flag on their uniforms. The teams were identified just by the color of their uniforms; red for the South and white for the North. The preparation for each match was provided by the hosting side.

### — Other International Competitions

While the intra-Korean soccer matches were being played in Pyongyang (Oct. 9-Oct. 13, 1990) and in Seoul (Oct. 21-Oct. 25, 1990), the two sides held two rounds of talks between their ministers of sports. Finally, on October 25, 1990, they published a joint statement that announced the resumption of the athletic talks.

Included in the joint statement were time and place and agenda of the talks. The talks were to be held at Panmunjom on November 29, 1990, with the following agenda: the formation of a single team to compete in the major international events, including the 1991 World Table Tennis Championship and the 1992 Barcelona Olympic Games, the establishment of the intra-Korean soccer matches as an annual event, and the discussion on other forms of intra-Korean sports exchanges.

After the joint statement, four rounds of athletic talks were held from November 29, 1990 to February 12, 1991. During this period, the two Koreas entered a unified team into a major international sports event for the first time since the division of the country. A single Korean team was entered in the 1991 World Table Tennis Championship and in the 1991 World Junior Soccer Championship.

Although they differed on the method of selection, composition, and training of the players, the two sides came to a compromise in accordance with the Agreement on the Formation of A Single Team for the Beijing Asian Games. The major points agreed upon were as follows:

**Table 4-3 Formation of a Single Korean Team**

Contents	Events	The 41st World Table Tennis Championship	The 6th World Junior Soccer Championship
Team Name		KOREA	The same
Team Flag		Team Flag: Sky blue map of the Korean peninsula on the white background	The same
Team Song		<i>Arirang</i> from the 1920's	The same
Selection of Players		Selected by consensus of the Joint Commission to Promote the Single Team	Selected by the consensus of the Joint Commission, based on player's performance in a evaluation match (Held sometime between April and the early May, 1991)
Head of the Team		North Korean official	South Korean official
Training of Players		At the site	Once in the South and once in the North
Expenses		Shared by the two Koreas	The same

After a single Korean team was entered in the two international events, the South proposed to open the fifth round of the athletic talks. But, when a North Korean judo plyer defected to the South in August 1991 the North postponed the talks indefinitely, using the incident as a pretext.

### ***Exchange of Traditional Artists***

In April 1990, the South proposed plans for promoting intra-Korean exchanges in areas that would be easy to implement and produce immediate benefits for both sides. Cultural and art areas were examples of such areas. Consequently, 14 South Korean traditional artists were able to perform at the Pyongyang Pan-Korean Unification Music Festival, which was held from October 18 to 23, 1990. Later in the same year, 33 North Korean traditional artists were invited to The 1990 End-of-the-Year Unification Traditional Art Festival, that was held in Seoul from December 8 to 13. These exchanges took place following the procedures and conditions prescribed in the Intra-Korean Exchanges and Cooperation Act that was established by South Korea.

### ***Red Cross Talks***

During the 1990's, the representatives of the KNRC and the RCSNK made nine contacts in an effort to resume the main meeting of the Red Cross Talks which was suspended since 1985, as well as to discuss the second exchange of separated families and performing troupes. These contacts, however, failed to produce any result as the North insisted on the exchange of the performing troupes prior to that of separated families and the introduction of the North Kore-

an revolutionary operas in Seoul.

The two Koreas finally agreed on the exchanges of separated families visiting their old parents and the performing troupes at the seventh round of the high-level talks held from May 5 to 8, 1992. Following this agreement, the working-level contacts to prepare for these exchanges were held eight times in Panmunjom from June 5 to August 7. However, these exchanges could not take place since the North brought up some irrelevant political issues, including the withdrawal of nuclear weapons and the release of pro-communist prisoners, onto the table.

## **2. The Kim Young-sam Administration's Efforts to Promote Intra-Korean Dialogue**

### **1— Working-level Meetings for the Exchange of Special Envoys**

While the high-level talks came to a deadlock due to North Korea's suspected attempt to develop nuclear weapons, the new South Korean administration inaugurated in February 1993 devoted all its energy to resolving the North Korean nuclear issue. Without its resolution, President Kim believed, there would be no substantial progress in the intra-Korean relations.

On May 20, 1993, the ROK government proposed to the North high-level talks to resolve the nuclear issue. Without replying to this proposition, the North made counterproposal to have a summit between the heads of the state to discuss unification issues and exchange presidential envoys to try to resolve the pending matters.

Pyongyang's intention was to avoid talks on the nuclear issue and to test the new administration's willingness to pursue unification by throwing in an offer for a political negotiation. It should be noticed that North Korea violated a diplomatic convention by arbitrarily designating the envoy as the deputy prime minister for unification.

In September 1993, the North made another proposal for the exchange of envoys. The new proposal stated that the level of the envoy would be determined by the highest authority of each side and that the agenda of the meeting would include the denuclearization of the Korean peninsula, the reduction of tension between the two Koreas, and preparations for joint measures to implement the Basic Agreement. In reply, the South made it clear that once the nuclear issue was listed on the top of the list, it would not raise any objection over the format of the talks. In addition, the South proposed to have a working-level meeting between the delegations headed by vice minister-level officials on September 7 in order to prepare for the exchange of the envoys. Initially the North seemed to reject the idea, but eventually it accepted the South Korean proposition on the condition that the meeting be postponed to October 5.

Eight working-level meetings were held from October 5, 1993 to March 19, 1994. During the first three rounds, the South proposed an Agreement on Exchange of Special Envoys which included the responsibilities of the envoy, methods of exchange, and other procedural details.

At the subsequent meetings the South demanded in the form of "urgent proposition" that the North make its position clear on the following issues:

- Immediate discontinuation of slander against the highest leader of the South Korean government
- Immediate discontinuation of instigating anti-government struggles among the South Korean citizens
- Discussion of nuclear issues in the exchange of special envoys, prior to any other issue

The North, however, argued that South Korea's resumption of the Team Spirit exercise and importation of Patriot missiles amounted to a "declaration of a full-front confrontation," and even a "declaration of war." Finally, it ended the talks with a threatening scream that "if war breaks out, Seoul will fall into a sea of flames." Having said that, the North Koreans walked out of the conference room without even deciding the date for the next meeting. That was the end of the talks which lasted through eight rounds.

## **2 — Preparation for an Intra-Korean Summit**

### ***Preliminary Contacts between Deputy Prime Ministers***

In his inauguration speech delivered on February 25, 1993, President Kim Young-sam stressed, "If President Kim Il-sung truly believes in the importance of the Korean people, and sincerely wishes for the reconciliation and unification of the people in the two Koreas, I am willing to meet with him to discuss these matters regardless of time and place."

Moreover, in a press interview held on the first anniversary of his inauguration, President Kim Young-sam stated, "Once I decide that an intra-Korean summit will help to stop the North from developing nuclear weapons, I will pursue to meet with President Kim Il-sung."

On June 18, 1994, the former U.S. President Jimmy Carter arrived in Seoul after visiting North Korea and conveyed to President Kim Young-sam a message from Kim Il-sung that he was grateful for the president's proposition and was willing to attend the summit.

In his reply, President Kim Young-sam announced that he was willing to "meet with President Kim Il-sung any time and any place without any precondition" while the necessary preparation would be discussed at working-level meetings.

Accordingly, the ROK government proposed preliminary talks at the deputy prime minister's level to discuss the procedure for the intra-Korean summit. Upon North Korea's acceptance, the proposed meeting was held on June 28.

At the meeting the two sides finally signed an Agreement on Preparation for the Intra-Korean Summit. According to the agreement, the summit was to be held in Pyongyang from July 25 to 27, 1994, while the other details including the composition and size of delegation, format of the summit, and duration of the meeting were reserved for the working-level conference.

This was to be the first intra-Korean summit in the fifty years of national division. Many expected that it would be a turning point in the intra-Korean relations, resolving not only the nuclear issue but also all the other pending questions at once.

### ***Working-level Conferences***

The working-level conferences for the preparation of the summit were held twice on July 1 and July 2, 1994. The two sides agreed on the following points:

- Composition and size of the delegations: 100 attendees and 80 reporters
- Format of the Summit: Direct talks between the heads of state, with two or three attendants and one recorder from each side accompanying their leader
- Duration of the Meeting: Three days and two nights, to be extended if necessary
- Working-level talks and Dispatch of Advance Team: Seventeen members from each side would meet in Pyongyang to discuss matters pertaining to security, protocol, communication and news report; discussion on security (three from each side meeting at Panmunjom on July 8) and communication (three from each side at Panmunjom on July 7); and the dispatching of a South Korean advance team of twenty-five members to the North.
- Traveling Procedure: List of the summit delegation must be provided to the North seven days in advance; crossing point for the South Korean delegation is Panmunjom.
- Facilities: The North would provide room and board, transportation, communication, medical services, and other facilities.
- Security: The North would deliver to the South a Letter of Guarantee for Personal Security less than three days prior to the visit
- Emblem and ID: The attendants may voluntarily wear ID cards as they please; reporters are required to wear the armband.

### ***The Indefinite Postponement of the Summit***

While the two sides were publishing the list of delegates to the working-level meeting that was to be held from July 13 to July 16 and exchanging the Letter of Guarantee for Personal Security on July 9, the North Korean radio and TV broadcasted a special report that President Kim Il-sung had died of a heart attack at 2 o'clock, on July 8, 1994. The North sent a letter to the South which stated that due to "unusual circumstances," the intra-Korean summit "had to be postponed indefinitely."

## **3 — The Beijing Conference**

### ***Background***

In a congratulatory speech delivered on Liberation Day in 1994, President Kim disclosed his policy for assisting the North Koreans in distress. "In the belief that at the core of the intra-Korean relations is improvement of the national welfare," he said, "we will spare nothing to provide assistance and cooperation to our fellow Koreans." After that, in several other speeches and interviews, he expressed a willingness to provide grain to the North Koreans, who were suffering from a food shortage. The ROK government, too, publically announced its intention to provide grain to North Korea without any precondition or political attachment.

On May 26, 1995, the Deputy Prime Minister for National Unification reiterated the same theme. In response, the North suggested in June that the issue be discussed between the representatives of the two civilian organizations, Korea Trade Promotion Corporation (KOTRA) of South Korea and Korea Samchonri General Corpora-

tion of the North. The proposed meeting between them was proposed to be held in Beijing on June 13. In its reply, the South insisted on its policy of “government-level talks before civilian contact,” which the North accepted. As a result, talks between the government delegations took place in Beijing on June 17.

### ***Progress of the Talks***

#### — The First Round in Beijing

The first round of talks on South Korea’s provision of rice to the North were held in Beijing from June 17 to June 21, 1995. Being aware that the food situation in North Korea needed immediate attention, the South accommodated Pyongyang’s demands to the maximum extent and generally agreed on the following points for the first time since the national division:

- The South would provide 150,000 tons of rice to the North free of charge.
- The South would begin the shipment of the above amount within ten days of the signing of this agreement and deliver it to the North Korean ports of Chongjin and Rajin.
- The provided rice must have been processed and packaged in the 40kg-sacks with nothing to indicate the place of origin written or drawn on them.
- The parties responsible for the implementation of the agreement would be Korea Trade Promotion Corporation of the South and Korea Samchonri General Corporation of the North.
- The South and the North would secure the necessary cooper-

ation for the transfer of the rice,

- The second round of talks would be held in mid July 1995.
- Any problems arising during the process would be settled through consultations between the delegations.

Under this agreement, a South Korean vessel named the *Sea Apex* left the South Korean port of Tonghae with the load of 2,000 tons of rice on June 25. Unfortunately, as the *Sea Apex* was entering into the North Korean port of Chongjin, the North Korean port officials forced the crew to raise the North Korean flag. It was a clear violation of the agreement made at the Beijing talks.

#### — The Second Round in Beijing

Despite the dark cloud over intra-Korean relations due to the flag incident and the detention of the crew of the *Woosungho*, a South Korean fishing boat that had been hijacked by North Korea on March 30, the second round of the rice talks was resumed in Beijing from July 15 to July 19.

At the meeting, the South expressed regret over North Korea's display of disinterest in returning the crew of the *Woosungho*. It then proposed an in-depth discussion on intra-Korean cooperation in agriculture, light industries, and energy in an effort to solve the North Korean food problem in a more prolonged and stable way.

At the same time, the South made it clear that a proper measure must be taken with regard to the unjust action of the North Korean officials in the flag incident along with the return of the *Woosungho* and its crew as quickly as possible in order to soothe the aggravated public opinion in the South. The ROK government further explained that the intra-Korean economic cooperation would be an

indirect way to help the North to overcome its food shortage.

The North stressed that the flag incident was not a deliberate act and explained that it was doing its best to return the crew of the *Woosungho* as soon as possible. It then insisted that the agenda of the talks should be limited to discussion of those matters that were related to the donation of rice.

Eventually, the two sides failed to reach any agreement as the North's demand for additional rice ran counter to the South's demand for returning the crew along with the discontinuation of slander against it.

#### — The Third Round in Beijing

Despite all these problems, the South continued with the shipment of the promised amount of rice after June 25, 1995. Meantime, another unexpected incident happened. On August 2, a crew member of the South Korean vessel *Samsun Venus* took a picture of the City of Chongjin while his ship was docked in at the port. The North called this as an "act of espionage" and detained the vessel and all its crew at the port. Then it indefinitely postponed the third round of the talks previously scheduled for August 10.

Later, when the delayed third round was held on September 26, the South emphasized the need to create an environment which would induce public support for intra-Korean cooperation. Accordingly, it made the following propositions:

First, the North was to return the crew and vessel of *Woosungho*, halt all slander against the South, and provide explanations on the kidnapping of a South Korean pastor and on the statement of a North Korean high-level official that made a mockery of the South Korean assistance.

Second, future talks should be held either in Seoul or Pyongyang or at Panmunjom, and the heads of the two delegations must exchange credentials issued by each government to clarify their status as governmental authorities.

Third, some complementary measures must be taken in order to prevent a repetition of the event that took place during delivery of rice aid, including the permission of communication between vessels and their mother companies and the guarantee for the security of people traveling in relation to intra-Korean exchanges and cooperation.

The North, however, argued that since the Beijing talks was a special type of contact between the South and the North that was taking place only under an extraordinary circumstance that involved the delivery of rice aid, the discussion must be limited to the issues related to the donation of rice. As a result, the third round of talks, too, ended in failure due to a standoff between the two Koreas as the North requested discussions on the size of additional assistance, while South demanded the return of the crew along with a change in North's position on dealing with the pending issues.

In spite of several incidents which hampered the smooth delivery, the South completed the shipment of all 150,000 tons of rice between the date of the initial agreement at the first round of the Beijing talks and the promised date of October 10. From the South Korean government's stance, the free donation of 150,000 tons of rice was a measure based purely on compassion for the North Korean brethren. In the long run, it should serve as a cornerstone for the improvement of the intra-Korean relations.



V

---

---

**THE LIGHT-WATER REACTOR PROJECT**



## 1. The Agreed Framework

North Korea has tried to develop nuclear power since the 1960's. In the early 1980's it launched a project to build a small size nuclear reactor on its own. Later, in December 1985, Moscow and Pyongyang signed an agreement in which the Soviet Union promised to help North Korea to construct nuclear power plants. Pyongyang's efforts to develop nuclear power were continued throughout the past years.

Although it became a member of the Nuclear Non-Proliferation Treaty (NPT) in December 1985, North Korea did not conclude the safety agreement with the International Atomic Energy Agency (IAEA) for the next six years, thereby increasing the suspicion of the international community over its intent. The international community increased its pressure on North Korea to assure the transparency of Pyongyang's nuclear program. The IAEA requested a "special inspection" in order to investigate the nuclear activities of North Korea. Pyongyang, however, refused such a request and declared North Korea's withdrawal from the NPT on March 12, 1993. The North Korean nuclear issue escalated tension between the two Koreas as the situation became aggravated to a point where

the international community placed sanctions against North Korea while Pyongyang proclaimed the possibility of a war.

Meanwhile, in a series of efforts to resolve the nuclear crisis, the ROK government announced the Declaration of the Denuclearization of the Korean peninsula (November 8, 1991) and the Declaration of the Absence of Nuclear Weapons (December 18, 1991). In addition, after three rounds of meetings between the representatives of the two Koreas held from December 16 to December 31, 1991, South Korea finally convinced North Korea to sign on the Joint Declaration of the Denuclearization of the Korean Peninsula.

This joint declaration was a promise between the two Koreas made public to work together to make the Korean peninsula a nuclear-free area. Although it was expected to be a significant step toward peace in the peninsula, North Korea's withdrawal from the NPT shattered such hopes.

Therefore, when North Korea declared its withdrawal, South Korea tried its best to build an international coalition to stop Pyongyang's attempts to develop nuclear weapons.

As a result, North Korea and the United States came to sign the Agreed Framework in Geneva on October 21, 1994. In the Agreed Framework, North Korea promised to: remain under the NPT regime; accept the IAEA inspections, including the special inspection, of all its nuclear facilities; completely freeze all past and future nuclear activities; eventually dissolve all existing nuclear facilities; abide by the intra-Korean joint declaration of denuclearization; and resume intra-Korean dialogue. In return, the United States agreed to: arrange a way to provide North Korea with two 1,000MWe light-water reactors by the year 2003; supply up to 500,000 tons of heavy oil every year to substitute for energy for-

gone by the freeze of nuclear reactors; ease trade and investment sanctions against North Korea; and establish liaison offices in each other's capitals.

## **2. Implementation of the Agreed Framework**

In implementing the light-water reactor (LWR) project according to the Agreed Framework, the ROK government maintained the following principles:

First, South Korea should take the central role in the process. There should not be any obstacle in supplying the South Korean standard model reactors to North Korea. The participation of South Korea in every process, including the establishment of an international consortium, designing, manufacturing, and constructing of the reactors, and management of the LWR project, must be guaranteed in proportion to its contribution.

Second, the provision of light-water reactors must be carried out in a way to contribute to the improvement of intra-Korean relations. It should foster the implementation of the Basic Agreement between the South and the North and lead to visible improvement in the relations.

Third, the provision of the reactors should be carried out on the premise that the Agreed Framework is being implemented by North Korea with sincerity. North Korea, in return, must freeze its nuclear activities and abide by the IAEA safeguards agreement. In particular, Pyongyang must implement the Joint Declaration of the Denuclearization of the Korean Peninsula and resume intra-Korean

dialogue as promised in the Agreed Framework.

Fourth, the LWR project must be carried out with public support and based on a national consensus. In order to play the central role in the process, the government should implement the project with a more comprehensive strategy that are formulated on rational and objective basis and blessed with public support and participation. Based on these principles, the ROK government has carefully prepared for the successful implementation of the LWR project.

## **1 — The Korean Peninsula Energy Development Organization**

Immediately after the signing of the Agreed Framework, the United States, Japan, and South Korea began a series of talks at both high and working levels. Based on the agreement among the three countries, the ROK government took initiatives in establishing the the Korean Peninsula Energy Development Organization (KEDO), an international organization that would be responsible for the financing and supply of a light-water reactor project in North Korea. (March 9, 1995)

The purpose of KEDO as specified in the agreement on its establishment are to:

- provide for the financing and supply of two reactors of the Korean standard nuclear plant model with a capacity of 1,000MWe;
- provide for the supply of interim energy alternatives until the construction of the first light-water reactor unit; and
- provide for the implementation of any other measures

deemed necessary to carry out the objectives of the Agreed Framework.

On July 20, 1995, KEDO opened its office in New York and appointed the Executive Director—an American—and two Deputy Executive Directors—a Korean and a Japanese.

The organs of KEDO include the Executive Board, the Secretariat, the General Conference, and the Advisory Committee. Among them, the highest decision-making body is the Executive Board, which consists of one representative of each of the original members, the United States, Japan, and the Republic of Korea, and its decisions are made by a consensus among these representatives.

In addition to these original three, the members of KEDO currently include seven other countries—Finland, Canada, New Zealand, Australia, Indonesia, Chile, and Argentina. The European Union, along with several other countries, is also expressing a strong interest in joining the Organization.

As an international organization responsible for the financing and supply of the LWR project to North Korea, KEDO has capacity to negotiate with the North on the project, undertake site surveys, and sign a commercial contract with the Korea Electric Power, Co. for the supply of the reactors.

## **2 — The LWR Talks Between the KEDO and the North**

### ***Signing of The Supply Agreement***

At the signing of the Agreed Framework, the United States and North Korea agreed to conclude the supply agreement within six months. Accordingly, the experts from both sides held three

rounds of meetings.

The main issues at the LWR talks between the two sides were which types of reactor would be supplied and who would play the central role in supplying them. The two sides could not reach an agreement until April 21, 1995, six months after the signing of the Agreed Framework. North Korea arbitrarily declared the suspension of the talks and threatened to lift the freeze on its nuclear program; it was Pyongyang's usual brinkmanship tactic. In spite of various difficulties, the two sides resumed semi-high level talks. Finally, North Korea accepted the reality that there was no other alternative but to accept the Korean standard model.

The delegations of the United States and North Korea held talks in Kuala Lumpur, Malaysia, from May 19 to June 12, 1995, and reaffirmed their political commitments to implement the Agreed Framework and resolved pending issues. The Joint Press Statement provided that:

- KEDO would be responsible for the LWR project;
- the United States would serve as the principal point of contact with the North for the LWR project;
- the LWR project would consist of two pressurized light-water reactors with two coolant loops and a generating capacity of 1,000 MWe each and the reactor model would be selected by KEDO;
- and the two sides would begin the talks to sign the supply agreement. The Kuala Lumpur agreement ended the controversy over the selection of the reactor model and the prime contractor. It also enabled South Korea to participate in the talks with North Korea as a member of KEDO.

North Korea agreed that the selection of the reactor model would be made by KEDO. According to the provisions of the KEDO Establishment Agreement, this was equivalent to Pyongyang's public acceptance of the Korean standard model built by a South Korean company.

Immediately before the Kuala Lumpur agreement, KEDO held a meeting of the Executive Board in Seoul and reaffirmed the provision of the Korean standard model and the central role of South Korea as the basic principles in carrying out the LWR project. In particular, the KEDO Executive Board decided to use South Korea's Ulchin No. 3 and No. 4 reactors as the reference plants for the Korean standard model. The board also selected the Korea Electric Power Co. as the prime contractor for the LWR project.

In accordance with the Joint Press Statement, KEDO and the North began three-month long talks on September 30, 1995. The two sides finally signed the Agreement on Supply of a Light-water Reactor Project to the North, a backbone of the LWR project, on December 15. This Supply Agreement stated that KEDO would provide two pressurized light-water reactor units with two coolant loops and a generating capacity of 1,000 MWe each to the North on a turnkey basis and that the North would repay KEDO for each plant in equal, semiannual installments, free of interest, over a 20-year term including a three-year grace period.

In addition, the Supply Agreement reiterated the responsibilities imposed upon the North under the Agreed Framework, including the following:

- The North should remain a party to the NPT.
- The North should continue the freeze on its nuclear activi-

ties and dismantle its graphite-moderated reactors and related facilities.

- The North should not transfer any nuclear equipment or technology or nuclear material outside of its territory.
- The North would permit resumption of ad hoc and routine inspections under the North's safeguards agreement with the IAEA.
- The North would come into full compliance with its IAEA safeguards agreement.

The agreement also specified procedures needed for the successful completion of the LWR project, including those related to contacts, communication, transportation, protection of personal safety, and nuclear liability.

### ***The Talks on Protocols***

At the time the two sides signed the Supply Agreement, KEDO and North Korea agreed to provide detailed procedures through the continued talks to resolve the issues in writing protocols on more than ten areas. Accordingly, the first stage of the talks began in New York from last April on areas of the juridical status, privileges and immunities, and consular protection, transportation, and communication. After the two-month long talks, the two sides agreed on the Protocol on the Juridical Status, Privileges and Immunities, and Consular Protection on May 22, 1996 and both the Protocol on Transportation and the Protocol on Transportation on June 14, 1996. These three protocols were formally signed and went into effect on July 11 in the same year.

The Protocol on the Juridical Status, Privileges and Immunities,

and Consular Protection provides all KEDO professional staff and KEDO delegations with privileges and immunities equal to those enjoyed by official diplomats. It also provides the KEDO contractor persons with the similar privileges and immunities, including safety protection and consular protection.

The Protocol on Transportation ensures appropriate and efficient transportation of KEDO persons and materials by providing sea and air transportation routes. The protocol also provides that KEDO person may enter and exit the project site without visas through the entry and exit points specified in it. In the event of any urgency, including medical emergencies, the protocol assures that the North will cooperate and take measures to assist KEDO person in accordance with internationally accepted practices. In detail, the North is to open two new sea routes, one for the barges that transport materials within 15-20 miles from the coastal line and the other for the vessels that carry persons and materials in international waters. In addition, a new air route from Beijing to Sonduk via Air Koryo is to be established. More efficient and economic routes are to be made available prior to the full-swing stage of the project, including the start of the power block excavation.

The Protocol on Communication permits KEDO, its contractors, subcontractors, and KEDO person to establish secure and independent means of communication for the smooth implementation of the LWR project. Prior to the arrangement for independent satellite telecommunication, they may place international and long distance calls, transmit and receive facsimile and data communications through the means available in North Korea.

Later, in the second stage, the talks on protocols on site take-over and the use of services were started at the end of July and the two

sides finally reached a working-level agreement on the wording of the protocols on September 26, 1996. These protocols are yet to be formally signed by both sides.

The Protocol on Site Take-over, Site Access and Use of the Site prescribes the scope and the use of the project sites, including the reactor sites and quarters for KEDO person, and customs procedures for entry and exit of equipment and materials needed for the completion of the LWR project. The Protocol on the Use of Services stipulates prices for labor, commodities, and other services North Korea would provide for the project. There still remain seven or eight more protocols to be signed on such areas as quality assurance and actions in the events of noncompliance.

### **3— The LWR Project Site Survey**

Starting from August 15, 1995, KEDO conducted six site surveys at the area near Sinpo City, South Hamkyong Province of North Korea. The first and second surveys were conducted by a group of experts from the United States, Japan, and South Korea under the supervision of KEDO. Starting from the third surveys, the Korea Electric Power took over these studies as a pre-project service and, therefore, South Korean experts began to lead the surveys.

A total of fifteen experts including nine South Koreans participated in the third site survey held from December 16, 1995 to January 16, 1996. They surveyed the topography of the project site and produced a map in a scale of 1:1,000.

The fourth site survey team consisted of twenty-three experts, including sixteen South Koreans, and was conducted from January 16 to February 24, 1996. The survey team conducted a seismological

test to examine the rock bed, fathomed underground water, and analyzed soil quality. Two twelve-ton containers of equipment were shipped from Pusan, South Korea, to Rajin, North Korea, via a vessel owned by Tongyong, a South Korean ocean transportation company, and then delivered to the project site at Sinpo.

The fifth site survey was conducted participated by seven South Korean experts from April 25 to May 7. The survey team collected data on the conditions of the existing infrastructure in the Yanghwa Port area.

The sixth site survey was conducted from July 6 to July 30. Thirteen South Korean experts worked side by side with North Korean technicians in five teams to study earthquake and soil quality, water ways, environment and general management. They came up with plans for preparing the preliminary safety analysis reports and the environmental reports by reprocessing the data provided by North Korea. These reports would provide valuable information when KEDO takes over the project site from the North Korean government and acquires the permission for the LWR construction in the future. At the end of August, 1996, the Korea Electric Power submitted to KEDO a summary report on the site based on the results from the six surveys. According to the report, the Sinpo area was appraised to have no serious safety problems as a prospective site for the LWR project. After a thorough examination of the report, KEDO would pass it to North Korea which would then issue the permission for the site take-over.

The seventh site survey was supposed to be held in October 1996. This time, the survey team was to conduct a detailed examination of soil quality, prepare for the development of infrastructure, and survey the site boundaries. This survey, however, is temporarily with-

held due to the increased tension in intra-Korean relations. Nevertheless, several more site surveys are expected to be conducted in the future.

#### **4 — The Preparation of the Prime Contract**

The Korea Electric Power Co. was officially designated as the prime contractor for the LWR project on March 19, 1996. As an agreement on such a decision was signed between KEDO and the South Korean company, talks on the prime contract became a pressing task for the LWR project.

To sign a formal commercial contract with the Korea Electric Power, the KEDO Secretariat prepared a draft for the prime contract in July 1996 and asked the members of the Executive Board and the prospective prime contractor to review it. KEDO wishes to sign the contract with the Korean Electric Power sometime in 1997.

#### **5 — The Site Preparation Work**

After the signing of the Supply Agreement and the protocols on privileges and immunities, transportation, and communication, KEDO began the site preparation works. The ROK government, too, made itself ready to begin the site preparation as soon as some essential issues, including the conclusion of the protocols on site take-over and the use of services, are cleared between KEDO and the North and a temporary contract for the initiation of the LWR project signed between KEDO and the Korea Electric Power.

### **3. The Significance and Tasks of the LWR Project**

Before full-scale implementation of the LWR project, various complex issues still remain to be resolved, including the talks on additional protocols between KEDO and the North, talks on the prime contract between KEDO and the Korean Electric Power, and an agreement among the interested parties on the sharing of expenses. Above of all, however, sincere efforts by North Korea to implement the LWR project is the most crucial factor for the success of the project.

At the same time, finding ways to resolve the North Korean nuclear issue by developing proper measures to sustain the freeze on North Korea's nuclear activities and to completely dispose of its spent fuel are another difficult tasks. Once the above issues are resolved, the Korea Electric Power will supervise the LWR project and, with the participation of numerous cooperating companies, the project will proceed through the following stages: designing → manufacturing and purchasing → construction → test run → operation.

Through the supply of the Korean standard model reactors to North Korea, South Korea wishes to assist the fellow Koreans living in the North because its advanced nuclear technology can increase the well-being of the North Korean residents. Furthermore, an increase in intra-Korean exchanges and cooperation during the ten plus years of construction will become a breakthrough in opening a new chapter for the co-prosperity of the national community.

When the LWR project becomes fully under way, the South Korean government should:

- consider safety and efficiency in designing, manufacturing, constructing, and managing of the project;
- utilize this opportunity for direct intra-Korean contacts to produce visible improvement in intra-Korean relations that is corresponding to the successful progress of the project; and
- do its best to consolidate the structure of intra-Korean cooperation in order to create an environment that would be appropriate for the establishment of a national community.

# VI

---

## INTRA-KOREAN EXCHANGES AND COOPERATION



## 1. Overview

The ROK government announced in the Special Presidential Declaration for National Self-Esteem, Unification, and Prosperity (commonly known as the July 7 Declaration) of 1988 that “the South and the North must tear down the barrier that divides them and implement exchanges in all fields.” This marked the end of the confrontational structure of the Cold War and the beginning of a new era for intra-Korean exchanges and cooperation through liberalization and reconciliation.

Subsequently, the ROK government lifted its economic sanctions against North Korea in October 1988 and enacted the Guidelines for Intra-Korean Exchanges and Cooperation in June 1989. These measures encouraged contacts between the residents of the South and the North and the trade of commodities between the two Koreas. Moreover, in August 1990, the ROK government established the Intra-Korean Exchanges and Cooperation Act, thereby promoting a legal framework for stable intra-Korean trade.

Once a legal foundation was established, intra-Korean exchange of people and commodities expanded rapidly. The total value of

commodity trade, for example, increased from \$18 million in 1989 to \$287 million in 1995.

In February 1992, the two Koreas finally effectuated the Agreement on Reconciliation, Nonaggression and Exchanges and Cooperation (commonly known as the Basic Agreement) which had already been signed by the prime ministers of the two governments.

In signing the Basic Agreement, the two Koreas agreed to cooperate with each other in accomplishing the balanced and harmonized development of the national economy and advancement of welfare of the entire Korean community. In order to promote free contacts and cross-visits among the members of the national community, they also agreed to work out necessary procedures and technicalities to guarantee convenience and safety of the visitors.

The Kim Young-sam Administration, inaugurated in February 1993, expressed an even stronger desire to reinforce intra-Korean trade based on public consensus. Unfortunately, intra-Korean trade came to a temporary halt as the suspicion of the international community over North Korea's nuclear development mushroomed and North Korea suddenly announced its intension to withdraw from the NPT.

The signing of the Agreement Framework between the United States and North Korea in October 1994 provided a small breakthrough in this stalemate. Accordingly, the ROK government announced a series of measures to revitalize intra-Korean economic cooperation. These measures enabled South Korean business leaders to visit the North and discuss investment possibilities with the North Koreans.

In 1995, as North Koreans suffered from severe food shortages, the ROK government, acting out of compassion for its fellow Kore-

ans, provided them with 150,000 tons of rice. Again, in 1996, the government contributed \$3 million worth of cash and commodities in response to a United Nations appeal to help North Korea.

## **2. The Institutionalization of Intra-Korean Exchanges and Cooperation**

### **1—Laws on Intra-Korean Trade**

#### *Background*

In accordance with the spirit of the July 7 Declaration of 1988, the ROK government established the Intra-Korean Exchanges and Cooperation Act in August 1990. Until then, the only section of the South Korean legal system that regulated intra-Korean relations was the National Security Law, under which exchanges and cooperation between the two Koreas were practically not allowed. It was a mechanism for self-defense inevitably required during the forty plus years of the international Cold War and the confrontation along the DMZ.

The intra-Korean Exchanges and Cooperation Act was based on a reconciliatory spirit that called for full-scale opening of intra-Korean contacts, visits, exchanges, and cooperation. This act was given priority over any other existing system of laws when applied to any activities that are conducted for intra-Korean exchanges and cooperation and deemed justifiable under such objectives. The ROK government was convinced that providing constitutional protection for intra-Korean exchanges and cooperation would further expand and

advance the basic rights of its citizens.

### ***Major Contents***

#### **— Contact Between the Residents of the Two Koreas**

“Contact” in this context refers to the exchange of opinions and communication between the residents of the South and the North by means of telephone, mail, or other similar media or through direct meetings. When a resident of South Korea wishes to make contact with a resident of North Korea, he or she must obtain permission from the Minister of National Unification.

When, however, a resident of one side is already in the territory of the other and has to contact a resident there for reasons necessary to the purpose of his or her visit, separate permission is not required. In addition, when a contact is made at an international event or accidentally in a foreign country, prior approval is not required, but the incident must be reported afterwards.

#### **— Cross-visits**

When a resident of either South or North Korea wishes to visit the other side he or she must possess a visitor’s pass issued by the Minister of National Unification. When a South Korean resident wishes to visit the North, he or she must submit the following documents: an application for a visitor’s pass, personal statement, ID photos, and a document or any other form of material that guarantees his or her personal safety and safe return. Submission of a guarantee for personal safety is required in order to protect the safety of a South Korean resident during his or her visit to North Korea.

On the other hand, when a North Korean resident wishes to visit

the South, he or she must also submit an application for a visitor's pass. This is a guarantee by the South Korean government of that person's personal safety in the South, and is also a form of ID to be used while he or she is staying in South Korea.

Exceptions for such procedures may be made by a consensus between the authorities of the two Koreas or by a decision of the Commission for Promotion of Intra-Korean Exchanges and Cooperation.

Meanwhile, South Korean citizens who have acquired permanent residences or permission for long-term stay in a foreign country are allowed to visit North Korea simply by reporting their visits to the head of South Korean representative in that country. Furthermore, Koreans residing in a foreign country with North Korean citizenship or without citizenship of any country are also allowed to visit South Korea.

### — Intra-Korean Trade

Trade of commodities between the South and the North should be expanded so as to develop a single national economic community and to advance the welfare of the entire Korean people.

Unfortunately, since Korea is currently divided into two countries and the two Koreas use two different currencies, intra-Korean trade should first follow the customs of international trade. For this reason, those wishing to be intra-Korean traders must register themselves as international traders.

Those who wish to import from or export to North Korea must submit an application for permission to the Minister of National Unification and acquire his approval. For these commodities that are classified as unrestricted items, only approval from the presi-

dent of a foreign exchange bank is required.

No taxes including tariffs and defense tax are imposed on commodities imported from or exported to North Korea because intra-Korean trade is considered as a domestic transaction. Hence, it is referred to as INTRA-Korean trade, instead of INTER-Korean trade. Moreover, the ROK government would provide various forms of support for exporting to North Korea in order to promote intra-Korean trade.

#### — Intra-Korean Cooperation Projects

Intra-Korean cooperation projects refer to all the activities residents of the two Koreas jointly carry out in various fields including cultural, academic, athletic, and economic areas. When a person wishes to start a cooperation project, he or she must submit to the Minister of National Unification an application for cooperation project, business plan, and a copy of the written agreement signed between the project partners.

To be approved, the submitted cooperation project must be practical in its nature, within the capacity of the partners, and not conceivably harmful to intra-Korean relations. Transaction of foreign currencies arising from the project should be carried out in accordance with the pertinent rules and regulations including the Guidelines on Control of Foreign Exchanges Regarding Investment in North Korea.

In general, earnings from cooperation projects are subject to South Korean tax codes because these projects are considered to be domestic activities. Nonetheless, income tax may be exempted upon agreement with the North Korean government.

## 2 — The Intra-Korean Cooperation Fund Act

As intra-Korean exchanges of people and commodities increased, the need for governmental support also grew in order to reduce the private losses caused by the difference in the two systems and, at the same time, to accommodate such humanitarian projects as the cross-visits of separated families. As a result, the ROK government established the Intra-Korean Cooperation Fund Act on August 1, 1990. The major points of the act were as follows:

First, the government would raise and supply the funds needed to promote intra-Korean exchanges and cooperation, from the sources including government and private contributions, long-term loans, and proceeds from the operation of the fund.

Second, the fund would be managed and run by the Minister of National Unification, although this authority could be entrusted to a financial institution on his discretion. In addition, important decisions and policies regarding the operation of the fund would be deliberated upon by the Council for Promotion of Intra-Korean Exchanges and Cooperation.

Third, the fund would be used to provide financial assistance for intra-Korean exchange and cooperation projects.

The ROK government contributed \$31 million to the fund in 1991. The total size of the fund as of September 1996 was \$292 million. The cost for providing 150,000 tons of rice to North Korea in 1995 and \$3 million worth of cash and commodities donated in 1996 were paid out of this fund.

### **3. The Current Status of Intra-Korean Exchanges and Cooperation**

#### **1— Exchange of People**

##### *Overview*

Interaction between the people of the South and the North takes place mainly in two ways: cross-visits and direct or indirect contacts in third countries. Between June 12, 1989, when the Guidelines on Intra-Korean Exchanges and Cooperation were established, and September 1996, a total of 170 applications for 1,700 people were submitted by South Korean residents for visits to North Korea. Of these, 132 cases involving a total of 1,477 people were approved, and 110 of them, involving 1,393 people, actually took place. At the same time, out of 15 applications involving 607 North Korean residents, 14 cases involving for 597 people were approved. Of them, 12 cases for 575 people were eventually able to visit the South.

In general, the fact that the number of South Korean residents who have visited the North is much larger than that of North Koreans visiting the South indicates that intra-Korean exchange of people has been dominated by the South. The annual trend indicates that the number of exchanges continually increased up to 1992 and then plummeted in 1993 and 1994 when tension in the intra-Korean relations escalated due to North Korea's nuclear development. The number of visits to the North by South Korean residents increased again in 1995 after the signing of the Agreed Framework between the United States and North Korea. On the other hand, North Korean visits to the South occurred occasionally, but have not been

reported since 1994.

A total of 6,008 applications for intra-Korean contacts involving 15,450 people was made by September 1996. Of these, 5,693 applications involving 14,455 people were approved and 1,981 of them involving 6,052 people actually took place. These numbers have been increasing each year. The majority of intra-Korean contacts have been made in a form of correspondence between the members of separated families, trade talks between businessmen, and scholars attending academic conferences in the third countries.

### ***The Current Status in Each Field***

#### — Cross-visits

Cross-visits between the South and the North have been made through eight rounds of intra-Korean high-level talks and UNDP international conferences as well as through such socio-cultural occasions as the cross-visit performance of traditional musicians in 1990, intra-Korean soccer matches, the evaluation games for a single united team for the 1991 World Junior Soccer Championship, and the Intra-Korean Women's Seminar.

Visits by South Korean businessmen came to a temporary halt after a working-level visit for investment in the Nampo light industry zone. But, the number has increased since 1995 with the signing of the Agreed Framework between the United States and North Korea in October 1994 and South Korea's announcement of the measures to revitalize intra-Korean economic cooperation in November 1994. After the announcement, a total of 208 businessmen representing 34 South Korean companies visited the North to conduct investment feasibility studies or to discuss the possibility for economic

**Table 6-1 Current Status of Intra Korean Cross-visits in Each Field\***

Fields Visits	Govern- ment-level Conference	Interna- tional Conference	Economic Exchange	Religious Exchange	Cultural Exchange	Academic Exchange	Athletic Exchange	Trans- portation	Others	Total
To the North	4 (360)	7 (79)	55 (238)	6 (9)	1 (17)	2 (32)	4 (179)	23 (403)	8 (76)	110 (1,393)
To the South	4 (360)	3 (9)	1 (10)	-	1 (33)	1 (15)	2 (148)	-	-	12 (575)
Total	8 (720)	10 (88)	56 (248)	6 (9)	2 (50)	3 (47)	6 (327)	23 (403)	8 (76)	122 (1,968)

\* These are the total numbers of visits in each field made between June 12, 1989 and September 1996. The numbers inside the parentheses represent the total number of people involved.

cooperation.

Their most preferred place of visit was the Pyongyang-Kangsu-Nampo area, followed by the Rajin-Sunbong-Chongjin area. The most frequently used route to North Korea was by plane via Beijing.

#### — Contacts Between the Residents of the Two Koreas

After the ROK government established the Guidelines on Intra-Korean Exchanges and Cooperation in June 1989, contacts between the two Koreas have been carried out in various areas, including the economic and business, academic, cultural, and religious fields.

Contacts in the economic or business field have been particularly active because North Korea had a strong desire for trade and cooperation with South Korean businesses. These contacts between the residents of the two Koreas were often made in China, especially in Beijing and Yenbian. Sometimes these contacts also took place in Japan and Hong Kong. As of September 1996, 815 contacts in total were reported in this field.

During the same period, 116 contacts in the academic field were reported. These contacts were made in various academic occasions, including an international seminar on the Japanese war comfort women held in Tokyo in July 1995, a conference on Korean unification sponsored by Korean scholars living in the South, in the North, and abroad held in Beijing in July 1995, and an academic conference on environment and development held in Bangkok, Thailand, in October 1995. A large number of contacts in this field took place in China because many Korean scholars and institutions in the Yenbian area have many years of experience in meeting with North Korean academicians. In addition, because of the geographical proximity to both Koreas, these institutions were able to frequently

**Table 6-2 Current Status of Application for Intra-Korean Contacts\***

Fields Status	Separated Families		Economic	Academic	Cultural	Religious	Athletic	Tourism and Trans- portation	Media and Press	Others	Total
	Applied	2,486 (2,704)	1,970 (5,204)	431 (2,836)	212 (1,048)	212 (1,004)	108 (291)	129 (419)	184 (525)	276 (1,419)	6,008 (15,450)
Approved	2,481 (2,699)	1,888 (4,990)	400 (2,534)	172 (971)	168 (899)	102 (268)	120 (390)	152 (446)	210 (1,258)	5,693 (14,455)	
Accom- plished	826 (925)	815 (1,494)	116 (1,497)	32 (501)	48 (484)	21 (73)	30 (90)	24 (91)	69 (897)	1,981 (6,052)	

\* These are the total numbers of applications submitted in each field between June 12, 1989 and September 1996: the numbers inside the parentheses represent the total number of people involved.

invite scholars from both Koreas to their academic conferences.

Contacts among the people in the cultural field took place 32 times during this period. Although a large number of applications have been submitted in the areas of music, arts, literature, film, and plays, only a few contacts have actually been materialized.

Contacts among religious leaders have taken place 48 times. In particular, the Protestant leaders of the two Koreas met in the Fourth International Conference of Christians held in Kyoto, Japan, in 1995, while Buddhist monks met nine times including the time when the Executive General of the Chogye Order met with the Chairman of the North Korean Buddhist Union in Beijing.

During the same period, contacts in the athletic field took place 21 times and those in media and the press, 24 times.

## **2 — Intra-Korean Trade**

### *Overview*

With the establishment of the Intra-Korean Exchanges and Cooperation Act in August 1990, the ROK government provided a legal framework for full-scale intra-Korean trade.

Since then, the customs records show that intra-Korean trade has steadily grown from \$18 million in 1989 to \$287 million in 1995. Given that North Korea's total external trade volume in 1995 was estimated to be only \$2.1 billion, the volume of intra-Korean trade is hardly insignificant. In fact, since 1994, South Korea has been the third largest trade partner of North Korea, ranking behind only Japan and China.

Since there was no official channel for trade recognized by the

**Table 6-3 Status of Intra-Korean Imports and Exports in Recent Years**

(Number of Cases/\$1,000)

Year	Approved			Customs Cleared		
	Import	Export	Total	Import	Export	Total
1988	4/ 1,037	-	4/ 1,037	-	-	-
1989	57/ 22,235	1/ 69	58/ 22,304	66/ 18,655	1/ 69	67/ 18,724
1990	75/ 20,354	4/ 4,731	79/ 25,085	78/ 12,278	4/ 1,187	82/ 13,465
1991	328/ 165,996	40/ 26,176	368/ 192,172	300/ 105,722	23/ 5,547	323/ 111,269
1992	365/ 200,685	42/ 12,818	407/ 213,503	510/ 162,863	63/ 10,563	573/ 173,426
1993	478/ 188,528	76/ 10,262	554/ 198,790	601/ 178,166	97/ 8,425	698/ 186,591
1994	601/ 203,521	173/ 25,423	774/ 228,944	708/ 176,298	267/ 18,248	975/ 194,546
1995	755/ 236,075	604/ 73,751	1,359/ 309,826	976/ 222,855	1,668/ 64,435	2,644/ 287,290
1996*	699/ 134,792	544/ 54,791	1,243/ 189,583	1,054/ 135,756	1,515/ 58,998	2,569/ 194,754
Total	3,362/ 1,173,223	1,484/ 208,021	4,846/ 1,381,244	4,293/ 1,012,593	3,638/ 167,472	7,931/ 1,180,065

\*As of September.

authorities of the two Koreas, intra-Korean trade has been generally carried out in the form of indirect trade through a broker located in the third country.

### ***Current Status***

#### **— Approval of Intra-Korean Imports and Exports**

Between October 1988, when the ROK government announced the open-door measures, and September 1996, South Korea's intra-Korean trade amounted to a total of \$1,180 million on a customs clearance basis, including \$1,013 million of imports and \$167 million of exports.

#### **— Authorization of Intra-Korean Imports and Exports**

According to the Public Notice of the Procedures for Approval of Import and Export of Commodities in Intra-Korean Trade based on Article 13 of the Intra-Korean Exchanges and Cooperation Act, trade of the restricted items require separate recommendation or approval of the Minister of National Unification, while the unrestricted items can be traded freely. For the latter, the minister may entrust his authority with the president of a foreign exchange bank.

From 1988 to September 1996, the restricted items amounted to \$196.1 million or 14.2% of the total export approval, while the unrestricted items constituted \$1,186.1 million or 85.8% of the total. The portion of the latter has been consistently larger than the former over the years; 88.3% in 1992, 94.2% in 1993, 87.9% in 1994, and 91.9% in 1995.

**Table 6-4 Composition of South Korea's Imports in Intra-Korean Trade\***

Year	(In \$1,000)								Total
	Agricultural and Forests Products	Marine Products	Mineral Products	Iron and Other Metals	Textiles	Chemical Products	Others		
1989-90	5,345 (17.3)	566 (1.8)	2,693 (8.7)	19,602 (63.4)	1,515 (4.9)	-	1,212 (3.9)		30,993 (100)
1991	5,046 (4.8)	3,053 (2.9)	6,173 (5.8)	86,046 (81.4)	1,588 (1.5)	1,672 (1.6)	2,144 (2.0)		105,722 (100)
1992	10,576 (6.5)	5,085 (3.1)	14,438 (8.8)	125,416 (77.0)	3,683 (2.3)	1,248 (0.8)	2,417 (1.5)		162,863 (100)
1993	9,674 (5.4)	878 (0.5)	1,371 (0.8)	154,263 (86.6)	8,945 (5.0)	663 (0.4)	2,372 (1.3)		178,166 (100)
1994	12,061 (6.8)	2,723 (1.6)	1,448 (0.8)	136,340 (77.3)	18,500 (10.5)	954 (0.6)	4,272 (2.4)		176,298 (100)
1995	17,768 (8.0)	2,692 (1.2)	3,001 (1.3)	165,590 (74.3)	28,852 (13.0)	56 (-)	4,896 (2.2)		222,855 (100)
1996 <sup>†</sup>	9,176 (6.8)	5,885 (4.3)	1,749 (1.3)	81,474 (60.0)	33,033 (24.3)	48	4,391 (3.3)		135,756 (100)

\* Numbers in parentheses represent percentage out of the total.

† As of September.

## — Items for Intra-Korean Import and Export

South Korea's major imports in intra-Korean trade include iron and other metals, textiles, agricultural and forest products, mineral products, and marine products. In particular, the three most important import items for the South in intra-Korean trade are gold, zinc,

**Table 6-5** Composition of South Korea's Exports in Intra-Korean Trade\*

(In \$1,000)

Year	Agricultural and Marine Products	Textiles	Machineries and Electronic Equipments	Chemical Products	Iron and Other Metals	Others	Total
1989-90	-	69 (5.5)	1,094 (87.1)	83 (6.6)	-	10 (0.8)	1,256 (100)
1991	1,607 (28.9)	25 (0.5)	447 (8.1)	3,468 (62.5)	-	-	5,547 (100)
1992	64 (0.6)	496 (4.7)	22 (0.2)	7,932 (75.1)	1,957 (18.5)	92 (0.9)	10,563 (100)
1993	6 (0.1)	6,274 (74.5)	463 (5.5)	1,096 (13.0)	34 (0.5)	552 (6.6)	8,425 (100)
1994	151 (0.8)	12,856 (70.5)	39 (0.2)	1,349 (7.4)	243 (1.3)	3,610 (19.8)	18,248 (100)
1995	865 (1.3)	38,793 (60.2)	1,806 (2.8)	11,567 (18.0)	1,559 (2.4)	9,845 (15.3)	64,435 (100)
1996†	2,824 (4.8)	34,308 (58.2)	2,415 (4.1)	14,556 (24.7)	-	4,895 (8.2)	58,998 (100)

\* Numbers in parentheses represent percentage out of the total.

† As of September.

and steel billets. As of September, for example, these three commodities took up 54.7% of the total imports in 1996.

On the other hand, the major exports of South Korea consist of raw materials for textiles to be processed in the North. In addition, iron and other metals, machinery and electronic equipment, agricultural and marine products, and sugar are also important exports.

#### — Trading Firms and Types of Trade

When intra-Korean trade started in October 1988 major South Korean corporations took the lead because they had advantages in organizational capability, information, and capital. Since 1990, however, a number of small-and-medium businesses have also begun to take part.

In the early days intra-Korean trade was carried out in the form of indirect trade through foreign trade brokers. As experience accumulated, however, many South Korean companies began to deal directly with their North Korean counterparts through their overseas offices or local subsidiaries. Yet, the clearing of payment and other financial transactions were still made through foreign intermediaries. Since 1991, however, some companies have tried to trade directly with North Korea.

In the beginning, the delivery of commodities was occasionally made by vessels hoisting the flag of a third country. However, when the Public Notice on Application for Approval of Operation of Vehicles for Transportation Between the South and the North was announced in July 1994, an intra-Korean trade route was established as a regular course for these vessels, thereby making direct shipment between the two Koreas possible.

### ***Direct Intra-Korean Trade***

Although the total amount of approved intra-Korean trade between 1988 and September 1996 was \$1.4 billion, the volume of direct trade was only \$78.4 million or 5.7 percent of the total.

Direct intra-Korean trade first took place in August 1991 between the Chunji Trading Co. of the South and the Kumgangsán International Trade and Development Corp. of the North. This transaction was contracted in the form of barter trade in which the South Korean company was to deliver 5,000 tons of rice and, in return, the North Korean company was to provide 30,000 tons of stone coal and 11,000 tons of cement. However, although the South Korean company delivered the promised commodities at the port of Rajin, the North Korean company has not yet made any notification on its delivery schedule.

Though several more attempts for direct trade were made in trading stone coal and some herbal medicines thereafter, their total volumes were insignificant. Currently, the lack of institutional devices to protect direct trade at the government level is limiting the expansion of such trade. To promote direct trade, therefore, the two Korean governments must first clear away various barriers in communication, transportation, clearing of payments, arbitration of conflicts, and the establishment of authorities for certification of the place of origin.

### ***Processing Trade***

Processing trade is a form of intra-Korean trade in which a South Korean firm provides raw materials to process. And to its North Korean partner then receives back the finished products back.

Since a South Korean firm started this form of trade in manufacturing school bags in December 1991, its volume has increased rapidly from \$970,000 in 1992 to \$7,996,000 in 1993, to \$28,564,000 in 1994, and to \$47,237,000 in 1995, and \$46,877,000 as of September 1996.

The reason for such a rapid growth was that through this format of trade the South could take advantage of North Korea's cheap and good-quality labor while the North could earn foreign currency easily without making any additional investment. The North preferred such trade because it also helped to develop its underdeveloped light industries.

The commodities imported in the commission-based processing trade have mainly been garments and other sewn products, but lately, the line of products has expanded to include accessories, color TV sets, and TV speakers.

For a long time, the major obstacle in this type of trade was that it was very difficult for South Korean technicians and engineers to visit the North for quality control and technical training of the North Korean workers. Export of production facilities into North Korea was also restrained. Consequently, it was difficult to produce high value-added products in this a manner. Fortunately, these two obstacles were removed to a large extent as the ROK government published the Measures to Revitalize Intra-Korean Economic Cooperation in November 1994.

**Table 6-6 Approval of Processing Trade**

(In \$1,000)

Year	Import	Export	Total	Items
1991	23	13	36	bags
1992	556	414	970	bags, garments, shoes
1993	4,385	3,611	7,996	garments, toys
1994	16,598	11,966	28,564	garments, shoes
1995	26,490	20,747	47,237	garments, shoes
1996*	21,863	25,014	46,877	color TV, garments
Total	69,915	61,794	131,679	

\* As of September.

### **3—Intra-Korean Cooperation Projects**

#### ***Overview***

Intra-Korean cooperation projects refer to all the activities residents of the two Koreas jointly carry out in various fields including cultural, academic, athletic, and economic areas. These are a more advanced and mature form of intra-Korean exchanges.

The legal framework for cooperation projects was laid down by the Intra-Korean Exchanges and Cooperation Act passed in August 1990. However, no project was actually implemented until 1994 due to the increased tension in intra-Korean stemming from the North Korean nuclear threat.

In October 1994, the signing of the Agreed Framework between the United States and North Korea provided a breakthrough for the stalemated intra-Korean economic cooperation. On November 28, the ROK government announced the Measures for Revitalization of Intra-Korean Economic Cooperation. These measures (i) allowed cross-visits by business entrepreneurs, (ii) permitted South Korean technicians to visit the North and approved export of production facilities needed for processing trade to the North, and (iii) launched several pilot projects for economic cooperation.

#### ***Cooperation Projects by Field***

##### **— The Athletic Field**

The first inter-Korean soccer match since the division of the nation was held in Seoul and Pyongyang during October 1990. Reflecting the burgeoning desire of Korean people for more fre-

quent athletic exchanges, the representatives of the two governments held four rounds of talks and finally agreed to dispatch a single national team to the 1991 World Table Tennis Championship and to the 1991 World Junior Soccer Championship.

Consequently, the ROK government approved an application submitted by the ROK Table Tennis Association to form and enter a single national team in the above event and financed the expenses for joint training out of the Intra-Korean Cooperation Fund. The significance of this event was that it was the first intra-Korean cooperation project to be carried out under the Intra-Korean Exchanges and Cooperation Act and the Intra-Korean Cooperation Fund Act.

The second cooperation project involved the forming of a single national team to enter the 1991 World Junior Soccer Championship. The ROK government paid the expenses for the evaluation games held in Seoul and Pyongyang as well as those for the joint training out of the Intra-Korean Cooperation Fund. Eventually, despite being assigned to the same preliminary group with such powerful contenders as Argentina, Portugal, and Ireland, Team Korea advanced to the quarter-finals.

#### — The Economic Field

Important preparatory efforts were made by South Korean businessmen in promoting intra-Korean trade. In January 1989 and in December 1991, the chairman of the Hyundai Group and the founder of the Unification Church visited North Korea, respectively, but failed to produce meaningful results.

In January 1992, the chairman of the Daewoo Group visited the North and agreed on a joint venture to produce nine different items including shirts, blouses, jackets, and bags in the Nampo light

industry zone. The ROK government subsequently approved the application submitted for this project. Consequently, Daewoo, Inc. became the first company ever to be approved as a cooperation partner in intra-Korean economic cooperation.

Due to the North Korean nuclear issue, however, the Daewoo project remained in a deadlock until November 1994 when the ROK government published the Measures for Revitalization of Intra-Korean Economic Cooperation.

By September 1996, the total number of South Korean companies that had visited North Korea reached 34, involving 208 people. Some of them have applied for cooperation partnerships or cooperation projects. The ROK government issued its first approval on cooperation project for Daewoo, Co. on May 17, 1995. According to the Intra-Korean Exchanges and Cooperation Act, those companies whose applications for cooperation partnership have been approved must later submit a separate application for the cooperation project after they sign an agreement with their North Korean partners on the details of the project.

#### **4 — Humanitarian Projects**

##### ***Separated Families***

As the division of the country continues, the members of separated families are growing older day by day. The ROK government has maintained the position that reunion of these families must be considered as a humanitarian issue separated from any political agenda. Consequently, the government has given the top priority to this issue and tried its best to relieve the pains of these unfortunate

people.

Regretably, although the ROK National Red Cross and The Red Cross Society of the North have held over 60 rounds of talks to resolve the issue over the last twenty-five years, the actual cross-visits by the delegations of separated families took place only once in 1985. After that one-time cross-visit, the talks on this issue, just like those on many other issues, were repeatedly interrupted and suspended.

The ROK government also brought up the issue at the high-level talks convened since 1990 and specified it as the most pending issue of all in the Basic Agreement. Upon the effectuation of the Basic Agreement, therefore, the South and the North thereby consented to exchange a group of separated family members from each side and allow them to visit their parents in their hometowns. The two Koreas agreed that this would be a pilot project for intra-Korean cooperation.

The North, however, did not keep its promise. Since then, Pyongyang has been passive and insincere on this particular issue throughout the years. While efforts at the governmental level to relieve the agony of separated families failed, attempts in the private sector continued in searching for the whereabouts of family members and corresponding by letters via a third country.

With the enactment of the Guidelines for Intra-Korean Exchanges and Cooperation of 1989 and the Inter-Korean Economic Cooperation Act of 1990, the ROK government has encouraged various forms of intra-Korean exchanges by providing legal and institutional supports for them. In particular, the government has given the top priority over applications for contacts with members of separated families. As a result, by the end of 1996, a total of 2,485 families have been

authorized for contact with North Korean residents. 33 percent of them or 826 families have directly or indirectly were able to confirmed on the whereabouts of their family members, either through their relatives or through intermediary service organizations in a third country.

The methods of contact commonly used by these families were (i) through relatives or Koreans living abroad, (ii) through intermediary service organizations, and (iii) by attending international events. In early days, most intermediary services were performed by individuals or organizations located in the United States, Canada, or Japan. After the normalization of ROK-China relations in August

**Table 6-7 Status of Separated Family Exchanges**

Year	(Number of Families)				
	Number of Application for Contact (A)	Number of Confirmation on Whereabouts (B)	Number of Letters Exchanged	Number of Meetings Taken Place	Rate of Success (B/A)
1989	1	-	-	-	-
1990	62	35	44	6	56%
1991	275	127	193	11	46%
1992	267	132	462	19	49%
1993	743	221	948	12	30%
1994	651	135	584	11	21%
1995	310	104	571	17	34%
1996*	176	72	349	14	41%
Total	2,485	826	3,151	90	33%

\*As of September.

1992, however, China has become the most favored intermediary nation. Contact through China now constitutes 56 percent of the total.

At the same time, the ROK government has opened information service centers in thirteen cities and provinces throughout the country. Established on July 1, 1993, at the main headquarters and local chapters of the ROK National Red Cross, these centers provide services for separated families residing in the local areas and promote continuous efforts for confirmation of whereabouts and exchange of letters.

### ***Rice Aid and Aids to the North Korean Flood Victims***

Between June and October of 1995, the ROK government provided 150,000 tons of rice to relieve the hardship of North Korean residents. The government also responded to the appeals of the World Food Program (WFP) and other United Nations organizations to help the North Korean flood victims in June 1996. The South Korean contributions included \$2 million in cash to the WFP designated for the purchase of mixed grains and 203 tons or \$1 million worth of dry milk for North Korean children to the UNICEF. In addition, the government donated \$50,000 to the World Meteorological Organization (WMO) to help repair North Korea's meteorological equipment.

Various South Korean private organizations also provided humanitarian assistance to the North Korean flood victims. Their efforts were funneled through the KRNC because all humanitarian issues raised in intra-Korean relations are handled by the Red Cross organizations of both Koreas. Accordingly, from November 1995 to October 1996, the KRNC, with the help of the International Red Cross,

delivered to the North Korean victims \$1.8 million worth of commodities, including flour, cooking oil, dry milk, instant noodles, and blankets. In the long run, these aids would act as a catalyst in tearing down the wall of accumulated mistrust and building reconciliation and confidence between the two Koreas.

## **VII**

---

---

### **PROSPECTS ON THE FUTURE**



## 1. Changes in Environment

During the Cold War the Korean peninsula was an ideological boundary between the capitalist camp and the communist camp. In the post-Cold War era, however, the peninsula has assumed the role of a vital post in the Asian-Pacific region because of its geopolitical importance. As a new international order materializes, the Asian-Pacific region is emerging as a new political and economic hub and its influence is expanding accordingly. As a result, along with the four great powers around it—the United States, Japan, China, and Russia, many nations in the world have begun to pay closer attention to the Korean peninsula. All these politico-economic changes in the international environment have had direct or indirect effects on Korean unification.

A series of recent changes in environment are expected to help break the deadlock in intra-Korean relations. Of course, some of those changes may have favorable effects on unification, while others may prove to be adverse. Nonetheless, both categories of changes are likely to act as a catalyst for Korean unification because any change in environment can be turned into an opportunity for nation-

al unification if handled by the Koreans with wisdom and determination. Consequently, to have a better understanding of the prospects of Korean unification, it is necessary to study the changes that have recently taken place around the Korean peninsula.

## **1 — Favorable Factors**

Changes that are expected to have favorable effects on Korean unification include the successful development of South Korea, the collapse of the Soviet bloc, increased possibility of change in the Pyongyang regime, and the death of Kim Il-sung and subsequent succession of power by Kim Jong-il.

### ***Success of South Korea***

Since the ROK government launched an ambitious development plan in the 1960's, South Korea has achieved remarkable success in economic development and recently joined the group of advanced industrialized countries. Parallel to its economic success, many years of socio-political development in South Korean society have finally borne the fruits of genuine democracy with the inauguration of a truly civilian government. South Korea has become a pluralistic society as the freedom of individuals has expanded through the process of democratization. The presence of a wide spectrum of opinions and society's capacity to reflect it through various aspects of life have become one of the prime forces behind the development of South Korean society. With such economic, political, and social advancement, the ideology of liberal democracy no longer exists merely in name in South Korean society; instead, it has become a

key social value and a standard of the social order.

In the past, due to the aggressive posture taken by the North according to its communization strategy, unification was sometimes exploited as a sensitive concept that raised tension, alertness, and even fear among many South Koreans. Today, however, because of socio-economic advancement, there is only a slim possibility, if any, for class struggle and communization to take place in South Korea. Public fear stemming from their alertness against communism is also being transformed into confidence. This was possible due to the combined efforts of all the Korean people. Moreover, such confidence is a clear evidence for the expanded national capabilities and also the driving force behind the country's move toward national unification.

### ***The Collapse of the Soviet Bloc***

The most important change in the international environment during this period was the collapse of the Soviet bloc which brought an end to the competition of conflicting ideologies between the West and the East. As the Soviet Union and East European states came to abandon socialism due to the economic difficulties they suffered, conflicts between the two camps were easily resolved.

Consequently, North Korea could not avoid being isolated from the international community as long as it continued to escalate conflict on the Korean peninsula. In particular, the collapse of the Soviet Union, which had been a strong supporter of North Korea, and the normalization of relations between South Korea and China were two major diplomatic losses for North Korea. These factors, therefore, provided a valuable opportunity to accelerate the process of

resolving the Korean issue.

Under such circumstances, more and more people have begun to realize that the unification of the Korean peninsula should no longer be a by-product of confrontation and competition in the process of overcoming ideological conflicts. Rather, they believe it should be the result of friendly competition and cooperation between South and North Korea for the advancement of their systems. Thus, a new concept of unification has emerged from the changes in the international environment.

### ***Increased Possibility of A Change in the Pyongyang Regime***

Another environmental factor that may cause a change in the nature of Korean division is the economic hardship prevalent in North Korean society. Like the Soviet Union or many East European states, North Korea has adhered to a socialist economic system for the last half century. Since the socialist economy did not provide any incentive to work for its members, North Korea was destined to face economic failure.

Moreover, having chosen the use of force as a means to accomplish communist unification of the Korean peninsula, North Korea has built up its armed forces in order to achieve military superiority over the South. However, this overwhelming investment in the military industry has resulted in devastation of its light industries, leaving only poverty for its people. Subsequently, deviation of North Koreans from their social institutions has been observed quite frequently in recent years. It is a phenomenon that is rarely observed in a society as strictly controlled as North Korea. Corrup-

tion and irregularities have also become prevalent in the North Korean society.

Under such circumstances, North Korea can no longer cling to its communization strategy. Its regime has come to a crossroad where it must adopt as an alternative an open-door policy and social reform in order to resolve its internal problems, or else follow the steps of its fallen East European allies. The difficulties North Korea faces not only pose a threat to the regime but also affect the existence of North Korea as a nation. Pyongyang, therefore, has to make some changes regardless of their form or content.

Consequently, the most important task for the South Korean government at this moment is to induce the North to come forward on the path of liberalization and reform through the expansion of intra-Korean exchanges and cooperation.

### ***The Death of Kim Il-sung and Succession of Power by Kim Jong-il***

Another factor that should have a favorable effect on accelerating the unification process is Kim Il-sung's death and the subsequent emergence of the Kim Jong-il regime. Although the intra-Korean summit scheduled on July 25, 1994, was indefinitely postponed, the death of Kim Il-sung implied that there was nobody left alive who could be held responsible for the division of the country. Consequently, the focus of intra-Korean relations could now be removed from the hatred and confrontation of the past and placed on goodwill competition and cooperation in the future.

While the North was ruled by Kim Il-sung, the leader who was responsible for the national division and for a bloody civil war, the

ROK government had to bear an extra political burden in soliciting popular support for its efforts to promote reconciliation and cooperation with his regime. Although it is necessary to clarify who is responsible for the past events, the ROK government does not have to maintain the current state of conflict and confrontation with the new North Korean regime anymore. Rather, it is now able to implement more constructive policies toward North Korea to build up a relationship based on co-existence and cooperation for the present and the future.

The new North Korean regime cannot deviate significantly from the policies and influence of the late Kim Il-sung. However, to assure his legitimacy as a new leader, Kim Jong-il has to come up with an accomplishment that benefits the North Korean people. In the long run, therefore, the liberalization of economy and reform of society are a choice inevitable for Pyongyang.

## **2 — Adverse Factors**

On the other hand, factors that would act as obstacles for unification include the increased heterogeneity between the two Korean societies, the worsening domestic situation in North Korea, the development of nuclear weapons by North Korea, and the change in dynamics among the great powers in the Northeast Asian region.

### ***Intensified Heterogeneity***

Because intra-Korean exchanges remained virtually impossible under the continuing state of division, the heterogeneity between the two Korean societies grew consistently larger. The differences

were enlarged in every social sphere, including the political, economic, and social areas. If such a phenomenon is further ignored, it could consolidate the division permanently and become a serious obstacle for unification. The difficulty Germany has had with internal integration even after political unification due to a strong heterogeneity between the residents of the West and those of the East is a valuable lesson for the Korean unification.

### ***The Worsening Situation in North Korea***

The severe economic hardship that increased social deviation within North Korean society, along with and the North Korean government's inability to improve the situation, could become another obstacle for unification. The continued aggravation of economic and social problems could lead North Korea into either a rapid collapse or an irrecoverable state of bankruptcy. Under such circumstances, the costs of reconstruction would be enormous even after unification. Large reconstruction costs would not only increase costs of unification but also cause the widening of a class gap between the residents of the South and those of the North even after unification. Eventually, it could impose an excessive burden on the entire Korean community in a unified Korea.

### ***The Development of Nuclear Power by North Korea***

North Korea's attempt to develop nuclear weapons not only goes against South Korea's policy to pursue reconciliation and cooperation, but also raises tension of a totally new dimension on the Korean peninsula. Nuclear weapons in the hands of North Korea pose a serious threat to South Korea, which has repeatedly reaffirmed its

strong desire for peace. Furthermore, it could trigger the nuclear arming of the Northeast Asian region and be a threat to peace that is slowly settling in this region. North Korea's nuclear development is also an up-front challenge to international cooperation for nonproliferation and a threat to world peace.

The ROK government has maintained close cooperation with the international community, including the United States, to restrain and prohibit North Korea's nuclear development. In the beginning, North Korea steadfastly refused to comply with the demands of the international community, but when the US-DPRK Agreed Framework was finally signed on October 21, 1994, it changed its policy to accommodate those demands. In turn, North Korea agreed to freeze its graphite-moderated reactors and other auxiliary facilities and promised to abide by the denuclearization provisions of the Agreed Framework.

Subsequently, the KEDO was created to facilitate the provision of light-water reactors and substitute energy to North Korea. The light-water reactor project got underway on December 15, 1995 when KEDO and the North Korea signed the agreement in New York. Yet, a question over whether North Korea has completely abandoned its desire to develop nuclear weapons still remains unanswered. This uncertainty will have an adverse effect on intra-Korean relations and become an obstacle in achieving peaceful unification.

### ***The Unstable Dynamics in Northeast Asia***

Another element that may have adverse effects on unification is a possible competition among the great powers of the Northeast

Asian region to fill in the vacuum created by the collapse of the Soviet Union. The dynamics in interaction among Russia, China, and Japan may increase the complexity of international relations around the Korean peninsula. Recent efforts by the United States and Japan to approach North Korea and those by China and Russia to restore their influence over Pyongyang foreshadow a forthcoming change in relations among the great powers around the Korean peninsula in the post-Cold War era. If such a change results in an increased intervention by those nations in regards to the Korean question, it would have an adverse effect on a unification initiated by the two Koreas.

Currently, the region is in a transient state in which the existing balance between the West and the East has been broken, but a new balance is yet to be formed. In the meantime, several trends are being observed in the moves of the great powers: the United States has preserved its status as a superpower, China has increased its influence over the Korean peninsula, and Russia and Japan are competing against each other to maintain influence in the region.

As a restructuring of the regional order takes place in the future, the great powers are more likely to try to expand their influence over the Korean peninsula. In this context, therefore, the two Koreas have to ask the question of how to establish the role and status of the Korean peninsula. As the direct parties in unification, the South and the North have to be ready to answer such a question in order to take initiative in the process of unification.

## 2. Prospects for Unification

Today we are living in a globalized era where the world is becoming a single neighborhood or, furthermore, a single community. The old days dominated by politics and ideology has gone, and a new age of economy and technology is now unfolding. Revolutionary advancement in science and technology have shortened the gap between both ends of the earth to turn them into virtual neighbors. Moreover, economic interdependence among nations has increased to such a degree that no country can sustain its economy if isolated from the international community.

At the same time, however, globalization foreshadows a new age of uncertainty in which unlimited competition prevails among individuals and political fluidity is greatly enhanced. The demise of Soviet communism could be interpreted as the historic victory of liberal democracy over socialism. At the same time, it could also be viewed as the turning point toward a new era of chaos as nations struggle over political, economic, and territorial boundaries and identities at the global, regional, or national level.

What is needed in such an era of rapid change is the ability to cope with these currents of history with a rich imagination and a reformist mind set. Korea had a shameful experience of being annexed by Japan at the turn of the last century because it failed to adapt at that particular juncture of history. That shameful experience eventually led to the division of the country. The Korean people should not repeat the same mistake. It is time to draw on every Korean's resources to concentrate the national potential which has long been dissipated because of the national division.

Just before the dawn of the 21st century, South Korea has joined the rank of the advanced industrialized countries as it became a member of the Organization of Economic Cooperation and Development (OECD). The ultimate goal of South Korea in its wish to become an advanced industrialized nation is to advance the quality of life for every member of the Korean community. A society in which all its members can enjoy freedom and human rights and are guaranteed the opportunity to live with dignity is the model of an advanced country that South Korea is aiming for. With such a goal in mind, the South Korean people have been trying to clean up the negative legacies of the past military-based authoritarian regimes and repair the distortions in history through the institutionalization of democracy based on voluntary civilian participation and reform of various fields of the society under the leadership of a democratic government. In short, they are trying to build a morally just nation by restoring their national spirit.

The efforts to restore the national spirit and to join the group of advanced nations will be that much more rewarding if they are based on a strong foundation of national legitimacy. From such a perspective, the South Korean people believe that the task of unification, or of creating a Korean nation by overcoming the national division, is a historical mandate for the entire Korean people.

To achieve unification, however, the two Koreas have to end the state of conflict and confrontation that has existed between them until now and put the divided national potential together. The best way to accomplish this is to move gradually toward unification by restoring mutual confidence and building mutual trust through intra-Korean exchanges and cooperation. Most South Koreans agree with such an approach. In short, they wish to achieve unification

through the creation of a future-oriented national community while being prepared to adopt to the rapidly changing domestic and international environments.

An important key to the success of such efforts by the South is a change in the North Korean regime. As long as the present system of dictatorship continues, and Pyongyang's desire to communize the South remains unchanged, the chances for a substantial improvement in intra-Korean relations are slim. Nonetheless, South Koreans believe that the change in the North Korean regime is inevitable and unification will be soon accomplished. According to a survey recently conducted by the Research Institute for National Unification, for example, an absolute majority (84.4%) of South Koreans expect that unification will be achieved within 30 years and, of them, more than half (51.4%) believe that it will be possible even within ten years.

The phenomenon of national division should no longer be a symbol of national tragedy characterized by mutual confrontation. It must be transformed into a constructive partnership to catch up with the current historic trends of cooperation and co-existence. History also calls for Korea to become a leading member of the international community in the making of human history.

Since the country has remained divided over the last half century, the first step toward unification should be to restore a single national community to overcome the existing heterogeneity between the two societies. Gradual and step-by-step preparations for unification will enable the creation of a single national community by filling in the space and period in Korean history left void for such a long time.

After all, Korean unification should be achieved through mutual

understanding and cooperation between the South and the North, not through a unilateral victory by one side over the other in political or military confrontation. To prevent the national division being extended into the new century, all Koreans have to actively cope with changes in the environment surrounding the Korean peninsula. The current environment provides the Korean people with a wonderful opportunity for a favorable outcome if they carry out the task of unification with a sincere and aggressive attitude.

In doing so, South Koreans believe that any effort to overcome the state of political division should not transcend the scope and concept of the national community. In other words, unification through political union is only acceptable when it is based on the co-existence and co-prosperity of the residents of both Koreas. As an interim arrangement prior to complete unification, this national community should be an independent, peaceful, and democratic structure that guarantees security and happiness for all its members.

From this moment on, the South and the North should cease the non-constructive competition and political confrontation and move toward forming a national community. In the light of this belief, the KNCU Formula of the ROK government presents a forum through which a consensus on the nature of the national community can be reached and practical methods to actually build such a community can be developed between the two Koreas.

The last few years of this century represent a period of new challenges and responses for Koreans. The Korean people must use this historical turning point as a starting line in building a great and unified Korea in the 21st century. This historical mandate can be accomplished only through the pain and sacrifice of the present generation of Koreans.



# APPENDIX

---

## THE MAJOR DOCUMENTS ON INTRA-KOREAN RELATIONS

1. South-North Joint Communique of 1972  
(aka July 4 Joint Communique), *July 4, 1972*
2. Intra-Korean Exchanges and Cooperation Act  
*August 1, 1990*
3. Agreement on Reconciliation, Nonaggression and  
Exchanges and Cooperation between the South and the  
North (aka The Basic Agreement).  
*February 19, 1992*
4. Joint Declaration of the Denuclearization of the Korean  
Peninsula, *February 19, 1992*
5. Agreement on Supply of a Light-Water Reactor Project  
to the Democratic People's Republic of Korea, between  
the Korean Peninsula Energy Development  
Organization and the Government of the Democratic  
People's Republic of Korea. *December 15, 1995*
6. President Kim Young-sam's 1994 Liberation Day  
Speech, *August 15, 1994*
7. President Kim Young-sam on the 51st Anniversary of  
National Liberation, *August 15, 1996*



---

## 1. South-North Joint Communiqué

---

Recently there were talks held both in Pyongyang and Seoul to discuss problems of improving South-North relations and unifying the divided fatherland.

Director Lee Hu Rak of the Central Intelligence Agency of Seoul visited Pyongyang from May 2 to 5, 1972, to hold talks with Director Kim Young Joo of the Organization and Guidance Department of Pyongyang. Second Vice Premier Park Sung-chul, acting on behalf of Director Kim Young Joo, also visited Seoul from May 29 to June 1 1972 to hold further talks with Director Lee Hu Rak.

With the common desire to achieve peaceful unification of the fatherland as early as possible, the two sides in these talks had a frank and openhearted exchange of views and made great progress in promoting mutual understanding.

In the course of the talks, the two sides, in an effort to remove misunderstanding and mistrust, and to mitigate increased tensions that have arisen between the south and the north as a result of the long separation, and further to expedite unification of the fatherland, have reached full agreement on the following points

1) The two sides have agreed to the following principles for unification of the fatherland:

First, unification shall be achieved through independent efforts without being subject to external imposition or interference.

Second, unification shall be achieved through peaceful means, and not through use of force against one another.

Third, a great national unity, as a homogeneous people, shall be sought first, transcending differences in ideas, ideologies and systems.

2) In order to ease tensions and foster an atmosphere of mutual trust between the south and the north, the two sides have agreed not to defame and slander one another, not to undertake armed provocations against one another, whether on a large or a small, scale and to take positive measures to prevent inadvertent military incidents.

3) The two sides, in order to restore severed national ties, promote mutual understanding and to expedite an independent peaceful unification, have agreed to carry out various exchanges in many areas.

4) the two sides have agreed to cooperate positively with one another to seek an early success of the South-North Red Cross Conference, which is currently in progress amidst the fervent expectations of the entire people of Korea.

5) The two sides, in order to prevent unexpected military incidents and to cope with problems arising in the relations between the south and the north directly, promptly and accurately, have agreed to install and operate a direct telephone line between Seoul and Pyongyang.

6) The two sides, in order to implement aforementioned agreements, settle all the problems that exist in the relations between the South and the North and to solve the question of unifying the country, based on the agreed principles, have agreed to create and operate a South-North Coordinating Committee, jointly chaired by Director Lee Hu Rak and Director Kim Young Joo.

7) The two sides, firmly convinced that the aforementioned agreements correspond with the common aspirations of the entire

people eager to see early unification of their fatherland, hereby solemnly pledge before the entire Korean people that they will faithfully carry out the agreements.

*July 4, 1972*

*Upholding the desires of their respective superiors*

**Lee Hu Rak**

**Kim Young Joo**

---

## 2. Intra-Korean Exchanges and Cooperation Act

---

*Law No. 4239, Aug. 1, 1990*

### **Article 1 (Purpose)**

The purpose of this Act is to provide regulations necessary for promoting the interchange and cooperation between the area south of the military demarcation line (hereinafter referred to as "South Korea") and the area north of the said line (hereinafter referred to as "North Korea").

### **Article 2 (Definition)**

For the purpose of this Act,

1. the term "entry and exit points" means harbors, airports and other places in South Korea from which any person goes to North Korea or to which any person comes from North Korea, and which are prescribed by the Presidential Decree;

2. the term "internal economic exchange" means carrying-out or -in of goods between South and North Korea;

3. the term "carrying-out or -in" means any transfer of goods between South Korea and North Korea, which is caused by sales, purchases, exchanges, lease, loan of use, donations, etc. (including any transfer of goods merely passing through a third country; hereinafter the same shall apply); and

4. the term "cooperative activities" means all activities pertaining to culture, sports, arts and science, economy, etc., which are carried out jointly by residents (including corporations and organizations)

of South and North Korea.

**Article 3 (Relation to Other Laws)**

With any act performed with the object of the South-North interchange and cooperation, such as comings and goings, internal economic exchanges, cooperative activities, offer of communication services, etc., between South Korea and North Korea, this Act shall be applicable instead of other laws to the extent that it is deemed justifiable.

**Article 4 (Establishment of South-North Interchange and Cooperation Promotion Council)**

In order to discuss and coordinate policies on the interchange and cooperation between South Korea and North Korea (Hereinafter referred to as “South-North interchange and cooperation”) and to deliberate and decide important matters concerning the South-North interchange and cooperation, the South-North Interchange and Cooperation Promotion Council (Hereinafter referred to as “Council”) shall be established in Ministry of National Unification.

**Article 5 (Composition of Council)**

(1) The Council shall be composed of fifteen or less members including a chairman.

(2) The chairman shall be the Minister of National Unification who exercises general control over affairs of the Council.

(3) The members shall be those nominated by the Prime Minister

from among the vice-ministers and public officials of the vice-minister class.

(4) If the chairman is absent by accident, the member designated in advance by the chairman shall act for him.

(5) An executive secretary shall be assigned to the Council, and he shall be the person nominated by the chairman from among the public officials under the jurisdiction of Ministry of National Unification.

### **Article 6 (Function of Council)**

The Council shall deliberate and decide the following matters:

1. Discussion and coordination of policies and establishment of the basic principles of the South-North interchange and cooperation;
2. Deliberation and coordination of important matters concerning various permission, approvals, etc. regarding the South-North interchange and cooperation;
3. Decision on the scope of internal economic exchange items;
4. Comprehensive coordination of cooperative activities;
5. Support for facilitating the South-North interchange and cooperation;
6. Promotion of the interministerial cooperation as to important matters concerning the South-North interchange and cooperation; and
7. Other matters submitted to the Council by the chairman.

### **Article 7 (Proceedings of Council)**

- (1) The meeting of the Council shall be convened by the chairman.

(2) The meeting of the Council shall make decisions with the attendance of a majority of all members and by a concurrent vote of a majority of members present.

(3) Matters necessary for the operation of the Council shall be determined by the Presidential Decree.

### **Article 8 (Working Committee)**

(1) In order to prepare matters to be laid before the Council, and to settle affairs delegated by the Council, the working committee may be established in the Council.

(2) Matters necessary for the composition, operation, etc. of the working committee shall be determined by the Presidential Decree.

### **Article 9 (Comings and Goings between South Korea and North Korea)**

(1) If a resident of South Korea or North Korea desires to come and go between South Korea and North Korea, he shall carry a certificate issued by the Minister of National Unification under the conditions as prescribed by the Presidential Decree.

(2) If a Korean resident abroad comes and goes between North Korea and a foreign country, he shall report it to the head of the nearest South Korean diplomatic establishment abroad.

(3) If a resident of South Korea desires to contact any resident, etc. of North Korea through meeting, correspondence and other ways, he shall obtain the approval of the Minister of National Unification.

(4) Matters necessary for the procedure of issue of the certificate as referred to in Paragraph (1), the scope of Korean residents abroad

and procedure of report as referred to in Paragraph (2), and the procedure of approval as referred to in Paragraph (3) shall be determined by the Presidential Decree.

**Article 10 (Guarantee of Entry and Exit of Koreans Abroad)**

If a Korean resident abroad who holds no foreign nationality and has no passport of the Republic of Korea desires to come to and go out of South Korea, he shall carry a travel certificate as prescribed by the Passport Act.

**Article 11 (Examination on Entry and Exit between South and North Korea)**

Residents of South and North Korea who come in and go out directly between South Korea and North Korea at an entry and exit point shall be subject to an examination under the conditions as prescribed by the Presidential Decree.

**Article 12 (Internal Economic Exchange Parties)**

The persons who are to carry on internal economic exchange (including a transit trade of goods between North Korea and a third country; hereinafter the same shall apply in this Article), shall be the State, local governments, government-invested institutions or those who are licensed for the trade business under the Foreign Trade Act (hereinafter referred to as “internal economic exchange parties”), but if it is deemed necessary especially, the Minister of National Unification may designate a specified person from among

the internal economic exchange parties to carry on the internal economic exchange through a resolution of the Council.

**Article 13 (Approval of Carrying-Out or -In)**

If an internal economic exchange party desires to carry goods out or in, he shall obtain the approval of the Minister of National Unification with respect to the goods concerned, transaction system or price settlement system under the conditions prescribed by the Presidential Decree. This provision shall also apply when a party desires to modify any major matters of such approved ones, which are prescribed by the Presidential Decree.

**Article 14 (Public Notice of Goods for Internal Economic Exchange)**

The Minister of National Unification shall announce publicly in advance the following matters as to the carrying goods out or in through a resolution of the Council. This provision shall also apply when he desires to modify the announced matters:

1. Classification of the automatic approval items, restricted approval items or prohibited items in connection with the carrying goods out or in; and
2. Particulars of restriction and procedure of approval as to the restricted approval items.

**Article 15 (Adjustment Order, etc., Relating to Internal Economic Exchange)**

(1) If it is deemed necessary for compliance with the agreement relating to the internal economic exchange or maintenance of the order in the carrying goods out or in, and so on, the Minister of National Unification may order the internal economic exchange parties to make an adjustment necessary for the price, quantity, quality and other transactional condition, etc. of goods to be carried out or in.

(2) The Minister of National Unification may, if necessary, have the internal economic exchange parties report matters concerning the internal economic exchange.

**Article 16 (Cooperative Enterpriser)**

(1) Any person who desires to operate cooperative activities, shall obtain the approval of the Minister of National Unification under the conditions as prescribed by the Presidential Decree.

(2) Matters necessary for the requirements, causes of revocation and procedure of the approval as referred to in Paragraph (1) shall be determined by the Presidential Decree.

**Article 17 (Approval on Cooperative Activities)**

(1) If a person who obtained the approval on cooperative activities under Article 16 (hereinafter referred to as “cooperative enterpriser”), desires to carry on cooperative activities, he shall obtain the approval of the Minister of National Unification for every activity. This provision shall also apply when he desires to alter the sub-

stance of the approved activities.

(2) Matters necessary for the requirements and procedure of the approval for cooperative activities as referred to in Paragraph (1) shall be determined by the Presidential Decree.

**Article 18 (Adjustment Order, etc., Relating to  
Cooperative Activities)**

(1) The Minister of National Unification may order a cooperative enterpriser to make an adjustment necessary for the cooperative activities carried on by him so that the cooperative activities contribute to the promotion of the South-North interchange and cooperation.

(2) The Minister of National Unification may have a cooperative enterpriser make a report on the operational details of the cooperative activities.

**Article 19 (Agency in charge of Settlement Services)**

(1) If it is deemed necessary for South-North interchange and cooperation, the Minister of National Unification may designate an agency to take charge of the settlement services after consulting with the Minister of Finance and Economy.

(2) Matters necessary for the scope, method, procedure, etc. of settlement services furnished by the agency in charge of such services under Paragraph (1) shall be determined by the Presidential Decree.

**Article 20 (Operation of Transport Equipment)**

(1) Any person who desires to operate ships, airplanes, railway vehicles or automobiles between South Korea and North Korea, shall obtain the approval of the Minister of National Unification.

(2) Matters necessary for the criteria, procedures, etc. of the approval referred to in Paragraph (1) shall be determined by the Presidential Decree.

**Article 21 (Control over Entrance and Exit of Transport Equipment, etc.)**

When a ship, airplane, railway vehicle or automobile and its crew enters or departs an entry or exit point, the provisions of Articles 65 to 72 of the Immigration Control Act shall be applicable.

**Article 22 (Offer of Communication Services)**

(1) Postal and telecommunication services may be offered for the purpose of facilitating the South-North interchange and cooperation.

(2) Matters necessary for the offerer, categories, rates, handling procedure, etc. of the postal and telecommunication services to be offered between South Korea and North Korea shall be determined by the Presidential Decree.

**Article 23 (Quarantine, etc.)**

(1) Any ship, airplane and cargo coming into South Korea from North Korea shall undergo a quarantine inspection.

(2) The provisions of Articles 6 to 28 and 33 to 35-2 of the Quarantine Act shall be applicable to the quarantine inspection as referred to in Paragraph (1): Provided, That the delivery of the quarantine certificate or provisional quarantine certificate as prescribed in Articles 19 and 20 of the Quarantine Act may be omitted.

(3) Any person coming into South Korea from North Korea who is infected with an infectious disease or suspected of any infection, and who carries things which are infected by a pathogenic organism of an infectious disease germ or suspected of such infection, shall report it to the director of the national quarantine station or the health center.

#### **Article 24 (Support of South-North Interchange and Cooperation)**

If it is deemed necessary for promoting the South-North interchange and cooperation, the Government may grant any subsidy or give other necessary support to those who carry on services for the South-North interchange and cooperation under this Act.

#### **Article 25 (Request for Cooperation)**

If it is deemed necessary to promote the South-North interchange and cooperation and establishing any policy connected with it, the Minister of National Unification may request any necessary cooperation, such as a statement of opinion, etc. to experts concerned and those who have experience in the South-North interchange and cooperation. In this case, any person who receives a request for cooperation, shall comply with it unless there is any justifiable reason not to comply.

## **Article 26 (Application of Other Laws)**

(1) With respect to matters concerning the internal economic exchange, which are not prescribed especially by this Act, the provisions of laws relating to trade, such as the Foreign Trade Act, etc., shall be applicable under the conditions as prescribed by the Presidential Decree.

(2) With respect to carrying goods out or in, the provisions of laws relating to the levy, collection, reduction and exemption, refundment, etc. of taxes shall be applicable under the conditions as prescribed by the Presidential Decree: Provided, that in case of carrying-in of goods, the provisions of the Customs Act concerning taxation, provisions of Subparagraph 1 of Article 4 of the Defense Tax Act and provisions of other laws concerning import fees shall be inapplicable.

(3) With respect to the investment, carrying goods out or in, other cooperative activities associated with the economy and transactions accompanying them, the following Acts shall be applicable under the conditions as prescribed by the Presidential Decree:

1. The Foreign Exchange Control Act;
2. The Foreign Capital Inducement Act;
3. The Korea Export-Import Bank Act;
4. The Export Insurance Act;
5. The Foreign Economic Cooperation Fund Act;
6. The Corporation Tax Act;
7. The Income Tax Act;
8. The Tax Reduction and Exemption Regulation Act;
9. The Special Act relating to Refundment of Tariffs, etc. on Raw Materials for Export; and

10. Other laws as prescribed by the Presidential Decree.

(4) In application of other laws under Paragraphs (1) to (3), any exception to it shall be prescribed by the Presidential Decree.

### **Article 27 (Penal Provisions)**

(1) Any person who falls under any of the following Subparagraphs shall be punished by imprisonment for not more than three years or fine not exceeding ten million Won;

1. A person who comes and goes between South Korea and North Korea without a certificate issued under Article 9(1), or contacts a resident of North Korea through a meeting, correspondence or other means without obtaining the approval as prescribed in Paragraph (3) of the said Article;

2. A person who carries goods out or in without obtaining the approval as prescribed in Article 13;

3. A person who carries on cooperative activities without obtaining the approval as prescribed in Article 17 (1);

4. A person who has a certificate as prescribed in Article 9 (1) issued, or obtains the approval as prescribed in Article 9 (3), 13 or 17, by deceit or other unlawful ways; and

5. A person who operates a ship, airplane, railway vehicle or automobile between South Korea and North Korea without obtaining the approval as prescribed in Article 20 (1).

(2) Any person who falls under any of the following Subparagraphs, shall be punished by imprisonment for not more than one year, or fine not exceeding five million Won;

1. A Korean resident abroad who comes and goes between North Korea and a foreign country without making a report as pre-

scribed in Article 9 (2);

2. A person who fails to comply with an adjustment order as prescribed in Article 15 (1), or to make a report as prescribed in Article 15 (2); and

3. A person who fails to comply with an adjustment order as prescribed in Article 18 (1), or to make a report as prescribed in Article 18 (2).

(3) Any attempt of offences as referred to in Subparagraphs 1 to 3 of Paragraph (1)) shall be punished.

### **Article 28 (Joint Penal Provisions)**

If a representative of a corporation, or an agent, serviceman or other employee of a corporation or individual commits an act falling under Article 27 in connection with affairs of the corporation or individual, the penalty of fine as prescribed in the said Article shall also be imposed on such corporation or individual in addition to the punishment of the offender.

### **Article 29 (Mitigation of Punishment)**

If a person who has committed an offence as prescribed in Paragraph (1) and Subparagraph 1 of Paragraph (2) of Article 27, surrenders himself to justice, the punishment may be mitigated or exempted.

### **Article 30 (Regard as Resident of North Korea)**

In application of this Act (excluding Articles 9 (1) and 11), mem-

bers of an overseas organization who take active parts in alignment with North Korea, shall be considered as a resident of North Korea.

**ADDENDA**

(1) (Enforcement Date) This Act shall enter into force as of the date of its promulgation.

(2) (Revision of Other Laws) Omitted.

---

### **3. Agreement on Reconciliation, Nonaggression and Exchanges and Cooperation between the South and the North**

---

*To enter into force as of February 19, 1992*

The South and the North,

In keeping with the yearning of the entire Korean people for the peaceful unification of the divided land;

Reaffirming the three principles of unification set forth in the July 4 (1972) South-North Joint Communiqué;

Determined to remove the state of political and military confrontation and achieve national reconciliation;

Also determined to avoid armed aggression and hostilities, reduce tension and ensure peace;

Expressing the desire to realize multi-faceted exchanges and cooperation to advance common national interests and prosperity;

Recognizing that their relations, not being a relationship between states, constitute a special interim relationship stemming from the process towards unification;

Pledging to exert joint efforts to achieve peaceful unification;

Hereby have agreed as follows;

**CHAPTER I**  
**SOUTH-NORTH RECONCILIATION**

**Article 1**

The South and the North shall recognize and respect each other's system.

**Article 2**

The two sides shall not interfere in each other's internal affairs.

**Article 3**

The two sides shall not slander or vilify each other.

**Article 4**

The two sides shall not attempt any actions of sabotage or overthrow against each other.

**Article 5**

The two sides shall endeavor together to transform the present state of armistice into a solid state of peace between the South and the North and shall abide by the present Military Armistice Agreement (of July 27, 1953) until such a state of peace has been realized.

### **Article 6**

The two sides shall cease to compete or confront each other and shall cooperate and endeavor together to promote national prestige and interests in the international arena.

### **Article 7**

To ensure close consultations and liaison between the two sides, South-North Liaison Offices shall be established at Panmunjom within three (3) months after the coming into force of this Agreement.

### **Article 8**

A South-North Political Committee shall be established within the framework of the South-North High-Level Talks within one (1) month of the coming into force of this Agreement with a view to discussing concrete measures to ensure the implementation and observance of the accords on South-North reconciliation.

## **CHAPTER II SOUTH-NORTH NONAGGRESSION**

### **Article 9**

The two sides shall not use force against each other and shall not undertake armed aggression against each other.

### **Article 10**

Differences of views and disputes arising between the two sides shall be resolved peacefully through dialogue and negotiation.

### **Article 11**

The South-North demarcation line and areas for non-aggression shall be identical with the Military Demarcation Line specified in the Military Armistice Agreement of July 27, 1953 and the areas that have been under the jurisdiction of each side until the present time.

### **Article 12**

To implement and guarantee non-aggression, the two sides shall set up a South-North Joint Military Commission within three (3) months of the coming into force of this Agreement. In the said Commission, the two sides shall discuss and carry out steps to build military confidence and realize arms reduction, including the mutual notification and control of major movements of military units and major military exercises, the peaceful utilization of the Demilitarized Zone, exchanges of military personnel and information, phased reductions in armaments including the elimination of weapons of mass destruction and attack capabilities, and verifications thereof.

### **Article 13**

A telephone hotline shall be installed between the military authorities of the two sides to prevent accidental armed clashes and their escalation.

#### **Article 14**

A South-North Military Committee shall be established within the framework of the South-North High-Level Talks within one (1) month of the coming into force of this agreement in order to discuss concrete measures to ensure the implementation and observance of the accords on non-aggression and to remove military confrontation.

### **CHAPTER III SOUTH-NORTH EXCHANGES AND COOPERATION**

#### **Article 15**

To promote an integrated and balanced development of the national economy and the welfare of the entire people, the two sides shall engage in economic exchanges and cooperation, including the joint development of resources, the trade of goods as domestic commerce and joint ventures.

#### **Article 16**

The two sides shall carry out exchanges and cooperation in various fields such as science and technology, education, literature and the arts, health, sports, environment, and publishing and journalism including newspapers, radio and television broadcasts and publications.

**Article 17**

The two sides shall promote free intra-Korean travel and contacts for the residents of their respective areas.

**Article 18**

The two sides shall permit free correspondence, meetings and visits between dispersed family members and other relatives and shall promote the voluntary reunion of divided families and shall take measures to resolve other humanitarian issues.

**Article 19**

The two sides shall reconnect railroads and roads that have been cut off and shall open South-North sea and air transport routes.

**Article 20**

The two sides shall establish and link facilities needed for South-North postal and telecommunications services and shall guarantee the confidentiality of intra-Korean mail and telecommunications.

**Article 21**

The two sides shall cooperate in the economic, cultural and various other fields in the international arena and carry out joint undertakings abroad.

## **Article 22**

To implement accords on exchanges and cooperation in the economic, cultural and various other fields, the two sides shall establish joint commissions for specific sectors, including a Joint South-North Economic Exchanges and Cooperation Commission, within three (3) months of the coming into force of this Agreement.

## **Article 23**

A South-North Exchanges and Cooperation Committee shall be established within the framework of the South-North High-Level Talks within one (1) month of the coming into force of this Agreement with a view to discussing concrete measures to ensure the implementation and observance of the accords on South-North exchanges and cooperation.

## **CHAPTER IV AMENDMENTS AND EFFECTUATION**

## **Article 24**

This Agreement may be amended or supplemented by concurrence between the two sides.

## **Article 25**

This Agreement shall enter into force as of the day the two sides exchange appropriate instruments following the completion of

their respective procedures for bringing it into effect.

Signed on December 13, 1991

*Chung Won-shik*

Prime Minister of the  
Republic of Korea

Chief delegate  
of the South  
delegation to the  
South-North  
High-Level Talks

*Yon Hyong-muk*

Premier of the  
Administration Council of  
the Democratic People's  
Republic of Korea

Head  
of the North  
delegation to the  
South-North  
High-Level Talks

---

## 4. Joint Declaration of the Denuclearization of the Korean Peninsula

---

*To enter into force as of February 19, 1992*

The South and the North,

Desiring to eliminate the danger of nuclear war through denuclearization of the Korean peninsula, and thus to create an environment and conditions favorable for peace and peaceful unification of our country and contribute to peace and security in Asia and the world.

Declare as follows;

1. The South and the North shall not test, manufacture, produce, receive, possess, store, deploy or use nuclear weapons.

2. The South and the North shall use nuclear energy solely for peaceful purposes.

3. The South and the North shall not possess nuclear reprocessing and uranium enrichment facilities.

4. The South and the North, in order to verify the denuclearization of the Korean peninsula, shall conduct inspection of the objects selected by the other side and agreed upon between the two sides, in accordance with procedures and methods to be determined by the South-North Joint Nuclear Control Commission.

5. The South and the North, in order to implement this joint declaration, shall establish and operate a South-North Joint Nuclear Control Commission within one (1) month of the effectuation of this joint declaration.

6. This Joint Declaration shall enter into force as of the day the two sides exchange appropriate instruments following the completion of their respective procedures for bringing it into effect.

Signed on January 20, 1992

*Chung Won-shik*

Prime Minister of the  
Republic of Korea

Chief delegate  
of the South  
delegation to the  
South-North  
High-Level Talks

*Yon Hyong-muk*

Premier of the  
Administration Council of  
the Democratic People's  
Republic of Korea

Head  
of the North  
delegation to the  
South-North  
High Level Talks

---

**5. Agreement on Supply of a Light-Water Reactor Project to the Democratic People's Republic of Korea between the Korean Peninsula Energy Development Organization and the Government of the Democratic People's Republic of Korea**

---

*December 15, 1995*

The Korean Peninsula Energy Development Organization (hereinafter referred to as "KEDO") and the Government of the Democratic People's Republic of Korea (the Democratic People's Republic of Korea is hereinafter referred to as the "DPRK"),

Recognizing that KEDO is an international organization to finance and supply a light-water reactor project (hereinafter referred to as the "LWR project") to the DPRK as specified in the Agreed Framework between the United States of America and the Democratic People's Republic of Korea of October 21, 1994 (hereinafter referred to as the "U.S.-DPRK Agreed Framework"),

Recognizing that the U.S.-DPRK Agreed Framework and the June 13, 1995, U.S.-DPRK Joint Press Statement specify that the U.S. will serve as the principal point of contact with the DPRK for the LWR project and

Reaffirming that the DPRK shall perform its obligations under the relevant provisions of the U.S.-DPRK Agreed Framework and shall accept the LWR project as specified in the June 13, 1995, U.S.-DPRK Joint Press Statement,

Have agreed as follows:

## **Article I**

### **Scope of Supply**

1. KEDO shall provide the LWR project, consisting of two pressurized light-water reactor (LWR) units with two coolant loops and a generating capacity of approximately 1,000 MW(e) each, to the DPRK on a turnkey basis. The reactor model, selected by KEDO, will be the advanced version of U.S.-origin design and technology currently under production.

2. KEDO shall be responsible for the scope of supply for the LWR project, specified in Annex 1 to the Agreement. The DPRK shall be responsible for other tasks and items necessary for the LWR project, specified in Annex 2 to the Agreement.

3. The LWR project shall conform to a set of codes and standards equivalent to those of the IAEA and the U.S. and applied to the reactor model referred to in paragraph 1 of this Article. The set of codes and standards shall apply to the design, manufacture, construction, testing, commissioning, and operation and maintenance of the LWR plants, including safety, physical protection, environmental protection, and storage and disposal of radioactive waste.

## **Article II**

### **Terms of Repayment**

1. KEDO shall finance the cost of the tasks and items specified in Annex 1 to the Agreement to be repaid by the DPRK on a long-term, interest-free basis.

2. The amount to be repaid by the DPRK will be jointly determined by KEDO and the DPRK based on examination by each side of the technical description of the LWR project specified in the com-

mercial supply contract for the LWR project, the fair and reasonable market value of the LWR project, and the contract price payable by KEDO to its contractors and subcontractors under the commercial supply contracts for the tasks and items specified in Annex 1 to the Agreement. With respect to the tasks and items specified in Annex 1 to the Agreement, the DPRK shall not be responsible for any additional costs, other than those that result from actions by the DPRK or from its failure to take actions for which it is responsible, in which case the repayment amount shall be increased by an amount jointly determined by KEDO and the DPRK, based on actual added cost to the LWR project payable by KEDO.

3. The DPRK shall repay KEDO for each LWR plant in equal, semiannual installments, free of interest, over a 20-year term after completion of each LWR plant, including a three-year grace period beginning upon completion of that LWR plant. The DPRK may pay KEDO in cash, cash equivalents, or through the transfer of goods. In the event that the DPRK pays in cash equivalents or goods (such payment is hereinafter referred to as “in-kind payment”), the value of such in-kind payment shall be determined jointly by KEDO and the DPRK, based on an agreed formula for determining fair and reasonable market price.

4. Details concerning the amount and terms of repayment shall be specified in a separate protocol between KEDO and the DPRK pursuant to the Agreement.

## **Article III**

### **Delivery Schedule**

1. KEDO shall develop a delivery schedule for the LWR project aimed at achieving a completion date of 2003. The schedule of relevant steps to be performed by the DPRK under the U.S.-DPRK Agreed Framework, as specified in Annex 3 to the Agreement, shall be integrated with the delivery schedule for the LWR project with the aim of achieving the performance of such steps by 2003 and the smooth implementation of the LWR project. As specified in the U.S.-DPRK Agreed Framework, the provision of the LWR project and the performance of the steps specified in Annex 3 to the Agreement are mutually conditional.

2. For purposes of the Agreement, "completion" of an LWR plant means completion of performance tests that is satisfactory in accordance with the set of codes and standards specified in Article I (3). Upon completion of each plant, the DPRK shall issue to KEDO a take-over certificate for each respective plant.

3. Details concerning the delivery schedule for the delivery of the LWR project and the performance of the steps specified in Annex 3 to the Agreement, including mutually agreed procedures for any necessary changes and completion of a significant portion of the LWR project as specified in Annex 4 to the Agreement, shall be specified in a separate protocol between KEDO and the DPRK pursuant to the Agreement.

## **Article IV**

### **Implementing Arrangements**

1. The DPRK may designate a DPRK firm as its agent and authorize the firm to enter into implementing arrangements as necessary to facilitate the LWR project.

2. KEDO shall select a prime contractor to carry out the LWR project and shall conclude a commercial supply contract with this prime contractor. A U.S. firm will serve as program coordinator to assist KEDO in supervising overall implementation of the LWR project, and KEDO will select the program coordinator.

3. KEDO and the DPRK shall facilitate practical arrangements that both sides deem necessary, including efficient contacts and cooperation among the participants in the LWR project, to ensure the expeditious and smooth implementation of the LWR project.

4. Written communications required for the implementation of the Agreement may be executed in the English or Korean languages. Existing documents and data may be used or transmitted in their original languages.

5. KEDO, its contractors and subcontractors shall be permitted to operate offices at the project site and other directly related locations such as the nearby port or airport as shall be agreed between KEDO and the DPRK, as the progress of the LWR project may require.

6. The DPRK shall recognize KEDO's independent juridical status and shall accord KEDO and its staff such privileges and immunities in the territory of the DPRK as necessary to carry out the functions entrusted to KEDO. KEDO's juridical status and privileges and immunities shall be specified in a separate protocol

between KEDO and the DPRK pursuant to the Agreement.

7. The DPRK shall take steps to protect the safety of all personnel sent to the DPRK by KEDO, its contractors and subcontractors and their respective property. Appropriate consular protection in conformity with established international practice shall be allowed for all such personnel. Necessary consular arrangements shall be specified in a separate protocol between KEDO and the DPRK pursuant to the Agreement.

8. KEDO shall take steps to ensure that all personnel sent to the DPRK by KEDO, its contractors and subcontractors shall undertake to respect the relevant laws of the DPRK, as shall be agreed between KEDO and the DPRK, and to conduct themselves at all times in a decent and professional manner.

9. The DPRK shall not interfere with the repatriation, in accordance with customs clearance procedures, by KEDO, its contractors and subcontractors of construction equipment and remaining materials from the LWR project.

10. The DPRK shall seek recovery solely from the property and assets of KEDO for the satisfaction of any claims arising under the Agreement or from any of the acts and omissions, liabilities, or obligations of KEDO, its contractors and subcontractors in direct connection with the Agreement, protocols and contracts pursuant to the Agreement.

## **Article V**

### **Site Selection and Study**

1. KEDO shall conduct a study of the preferred Kumho area near Sinpo City, South Hamgyong Province to ensure that the site satis-

fies appropriate site selection criteria as shall be agreed between KEDO and the DPRK and to identify the requirements for construction and operation of the LWR plants, including infrastructure improvements.

2. To facilitate this study, the DPRK shall cooperate and provide KEDO with access to the relevant available information, including the results of the studies that were performed previously at this site. In the event that such data is not sufficient, KEDO shall make arrangements to obtain additional information or to conduct the necessary site studies.

3. Details concerning site access and the use of the site shall be specified in a separate protocol between KEDO and the DPRK pursuant to the Agreement.

## **Article VI**

### **Quality Assurance and Warranties**

1. KEDO shall be responsible for design and implementation of a quality assurance program in accordance with the set of codes and standards specified in Article I (3). The quality assurance program shall include appropriate procedures for design, materials, manufacture and assembly of equipment and components, and quality of construction.

2. KEDO shall provide the DPRK with appropriate documentation on the quality assurance program, and the DPRK shall have the right to participate in the implementation of the quality assurance program, which will include appropriate inspections, tests, commissioning, and review by the DPRK of the results thereof.

3. KEDO shall guarantee that the generating capacity of each

LWR plant at the time of completion, as defined in Article III (2), will be approximately 1,000 MW(e). KEDO shall guarantee that the major components provided by relevant contractors and subcontractors will be new and free from defects in design, workmanship, and material for a period of two years after completion, but in no event longer than five years after the date of shipment of such major components. The LWR fuel for the initial loading for each LWR plant shall be guaranteed in accordance with standard nuclear industry practice. KEDO shall guarantee that the civil construction work for the LWR project will be free of defects in design, workmanship, and material for a period of two years after completion.

4. Details concerning the provisions of this Article and the content and procedures for issuance and receipt of warranties shall be specified in a separate protocol between KEDO and the DPRK pursuant to the Agreement.

## **Article VII**

### **Training**

1. KEDO shall design and implement a comprehensive training program in accordance with standard nuclear industry practice for the DPRK's operation and maintenance of the LWR plants. Such training shall be held at mutually agreeable locations as soon as practicable. The DPRK shall be responsible for providing a sufficient number of qualified candidates for this program.

2. Details concerning the training program shall be specified in a separate protocol between KEDO and the DPRK pursuant to the Agreement.

## **Article VIII**

### **Operation and Maintenance**

1. KEDO shall assist the DPRK to obtain LWR fuel, other than that provided pursuant to Annex 1 to the Agreement, through commercial contracts with a DPRK-preferred supplier for the useful life of the LWR plants.

2. KEDO shall assist the DPRK to obtain spare and wear parts, consumables, special tools, and technical services for the operation and maintenance of the LWR plants, other than those provided pursuant to Annex 1 to the Agreement, through commercial contracts with a DPRK-preferred supplier for the useful life of the LWR plants.

3. KEDO and the DPRK shall cooperate to ensure the safe storage and disposition of the spent fuel from the LWR plants. If requested by KEDO, the DPRK shall relinquish any ownership rights over the LWR spent fuel and agree to the transfer of the spent fuel out of its territory as soon as technically possible after the fuel is discharged, through appropriate commercial contracts.

4. Necessary arrangements for the transfer of LWR spent fuel out of the DPRK shall be specified in a separate protocol between KEDO and the DPRK pursuant to the Agreement.

## **Article IX**

### **Services**

1. The DPRK shall process for approval all applications necessary for completion of the LWR project expeditiously and free of charge. These approvals shall include all permits issued by the DPRK nuclear regulatory authority, customs clearance, entry and other

permits, licenses, site access rights, and site take-over agreements. In the event that any such approval is delayed beyond the normally required time or denied, the DPRK shall notify KEDO promptly of the reasons therefor, and the schedule and cost for the LWR project may be adjusted as appropriate.

2. KEDO, its contractors and subcontractors, and their respective personnel shall be exempt from DPRK taxes, duties, charges and fees as shall be agreed between KEDO and the DPRK, and expropriation in connection with the LWR project.

3. All personnel sent to the DPRK by KEDO, its contractors and subcontractors shall be allowed unimpeded access to the project site and to appropriate and efficient transportation routes, including air and sea links, to and from the project site as designated by the DPRK and agreed between KEDO and the DPRK. Additional routes will be considered as the progress of the LWR project may require.

4. The DPRK shall, to the extent possible, make available at a fair price port services, transportation, labor, potable water, food, off-site lodging and offices, communications, fuel, electrical power, materials, medical services, currency exchanges and other financial services, and other amenities necessary for living and working by personnel sent to the DPRK by KEDO, its contractors and subcontractors.

5. KEDO, its contractors and subcontractors, and their respective personnel shall be allowed unimpeded use of available means of communications in the DPRK. In addition, KEDO, its contractors and subcontractors shall be permitted by the DPRK to establish secure and independent means of communications for their offices, based on a timely and case-by-case review of equipment requests

and in accordance with relevant telecommunications regulations of the DPRK.

6. Details concerning the above-referenced services shall be specified, as appropriate, in one or more separate protocols between KEDO and the DPRK pursuant to the Agreement.

## **Article X**

### **Nuclear Safety and Regulation**

1. KEDO shall be responsible for assuring that design, manufacture, construction, testing, and commissioning of the LWR plants are in compliance with nuclear safety and regulatory codes and standards specified in Article I (3).

2. The DPRK shall issue a site take-over certificate to KEDO upon completion of the site survey. A construction permit shall be issued by the DPRK nuclear regulatory authority to KEDO, prior to the power block excavation, based on its review of the preliminary safety analysis report and the site studies and on its determination of whether the LWR project complies with the nuclear safety and regulatory codes and standards specified in Article I (3). A commissioning permit shall be issued by the DPRK nuclear regulatory authority to KEDO prior to initial fuel loading, based on its review of the final safety analysis report, which includes the as-built design of the LWR plant, and results of non-nuclear commissioning tests. KEDO shall provide the results of nuclear commissioning tests and operator training records to the DPRK in support of its issuance of an operating permit to the operator. KEDO shall provide the DPRK, in a timely manner, with the safety analysis reports, necessary information including that on the codes and standards, and

such other documents as KEDO deems necessary in order to make the required determination. The DPRK shall ensure that these permits will be issued in a timely manner not to impede the project schedule.

3. The DPRK shall be responsible for the safe operation and maintenance of the LWR plants, appropriate physical protection, environmental protection, and, consistent with Article VIII (3), the safe storage and disposal of radioactive waste, including spent fuel, in conformity with the set of codes and standards specified in Article I (3). In this regard, the DPRK shall assure that appropriate nuclear regulatory standards and procedures are in place to ensure the safe operation and maintenance of the LWR plants.

4. Prior to the shipment of any fuel assemblies to the DPRK, the DPRK shall observe the provisions set forth in the Convention on Nuclear Safety (done at Vienna, September 20, 1994), the Convention on Early Notification of a Nuclear Accident (adopted at Vienna, September 26, 1986), the Convention on Assistance in the Case of a Nuclear Accident or Radiological Emergency (adopted at Vienna, September 26, 1986), and the Convention on the Physical Protection of Nuclear Material (opened for signature at Vienna and New York, March 3, 1980).

5. After the completion of the LWR plants, KEDO and the DPRK shall conduct safety reviews to ensure the safe operation and maintenance of the LWR plants. In this regard, the DPRK shall provide necessary assistance to enable such reviews to be conducted as expeditiously as possible and shall give due consideration to the results of such reviews. Details concerning the schedule and procedures for conducting the safety reviews shall be specified in a separate protocol between KEDO and the DPRK pursuant to the Agreement.

6. In the event of a nuclear emergency or accident, the DPRK shall permit immediate access to the site and information by personnel sent by KEDO, its contractors and subcontractors to determine the extent of safety concerns and to provide safety assistance.

## **Article XI**

### **Nuclear Liability**

1. The DPRK shall ensure that a legal and financial mechanism is available for meeting claims brought within the DPRK for damages in the event of a nuclear incident (as defined in the Vienna Convention on Civil Liability for Nuclear Damage, done at Vienna, May 21, 1963) in connection with the LWR plants. The legal mechanism shall include the channeling of liability in the event of a nuclear incident to the operator on the basis of absolute liability. The DPRK shall ensure that the operator is able to satisfy such liabilities.

2. Prior to the shipment of any fuel assemblies to the DPRK, the DPRK shall enter into an indemnity agreement with KEDO, and shall secure nuclear liability insurance or other financial security to protect KEDO, its contractors and subcontractors, and their respective personnel in connection with any third party claims in any court or forum arising from activities undertaken pursuant to the Agreement in the event of nuclear damage or loss occurring inside or outside the territory of the DPRK as a result of a nuclear incident in connection with the LWR plants. Details concerning the indemnity agreement and insurance or other financial security shall be specified in a separate protocol between KEDO and the DPRK pursuant to the Agreement.

3. The DPRK shall bring no claims against KEDO, its contractors

and subcontractors, and their respective personnel arising out of any nuclear damage or loss.

4. The Article shall not be construed as acknowledging the jurisdiction of any court or forum or as waiving any immunity of either side.

5. The domestic legal system of the DPRK may provide that, if the operator proves that the nuclear damage resulted wholly or partly either from the gross negligence of the person suffering the damage or from an act or omission of such person done with intent to cause damage, the operator may be relieved wholly or partly from his obligation to pay compensation in respect of the damage suffered by such person. The operator shall have a right of recourse only if the damage caused by a nuclear incident results from an act or omission done with intent to cause damage, against the individual acting or omitting to act with such intent. For purposes of this paragraph, the terms “person” and “individual” shall have the same meaning as in the Vienna Convention on Civil Liability for Nuclear Damage (done at Vienna, May 21, 1963).

## **Article XII**

### **Intellectual Property**

1. In the course of performing its obligations under the Agreement, each side may receive, directly or indirectly, information relating to the intellectual property of the other side. All such information and any materials or documents containing such information (collectively, the “Intellectual Property”) are proprietary and confidential to such other side, whether or not protected by patent or copyright law. Each side agrees to protect the confidentiality of

the other side's Intellectual Property and to use it only for the purposes of the LWR project as provided for in the Agreement and in accordance with international norms, including practices established by the Paris Convention on the Protection of Industrial Property Rights.

2. Except as otherwise agreed between the two sides, neither side shall replicate, copy, or otherwise reproduce any of the equipment or technology of the other side provided in connection with the LWR project.

### **Article XIII**

#### **Assurances**

1. The DPRK shall use the reactors, technology, and nuclear material (as defined in accordance with international practice) transferred pursuant to the Agreement, as well as any nuclear material used therein or produced through the use of such items, exclusively for peaceful, non-explosive purposes.

2. The DPRK shall ensure that the reactors, technology, and nuclear material transferred pursuant to the Agreement, as well as any nuclear material used therein or produced through the use of such items, are used properly and exclusively for the purposes of the LWR project.

3. The DPRK shall provide effective physical protection in accordance with international standards with respect to the reactors and nuclear material transferred pursuant to the Agreement, as well as any nuclear material used therein or produced through the use of such items for the useful life of such reactors and nuclear material.

4. The DPRK shall apply IAEA safeguards to the reactors and

nuclear material transferred pursuant to the Agreement, as well as any nuclear material used therein or produced through the use of such items, for the useful life of such reactors and nuclear material.

5. The DPRK shall at no time reprocess or increase the enrichment level of any nuclear material transferred pursuant to the Agreement, or any nuclear material used in or produced through the use of any reactor or nuclear material transferred in the LWR project.

6. The DPRK shall not transfer any nuclear equipment or technology or nuclear material transferred pursuant to the Agreement, or any nuclear material used therein or produced through the use of such items, outside the territory of the DPRK unless otherwise agreed between KEDO and the DPRK, except as provided for in Article VIII (3).

7. The above-referenced assurances may be supplemented by DPRK assurances, through appropriate arrangements, to KEDO members that provide to the DPRK any components controlled under the Export Trigger List of the Nuclear Suppliers Group for the LWR project, if and when such KEDO member or members and the DPRK deem it necessary.

#### **Article XIV**

##### **Force Majeure**

Either side's performance shall be considered excusably delayed if such delay is due to one or more events that are internationally accepted to constitute force majeure. Each such event is herein referred to as an event of "Force Majeure." The side whose performance is delayed by an event of Force Majeure shall provide notice

of such delay to the other side promptly after such event has occurred and shall use such efforts as are reasonable in the circumstances to mitigate such delay and the effect thereof on such side's performance. The two sides shall then consult with each other promptly and in good faith to determine whether alternative performance and the adjustment of the schedule and cost of the LWR project are necessary.

## **Article XV**

### **Dispute Resolution**

1. Any disputes arising out of the interpretation or implementation of the Agreement shall be settled through consultations between KEDO and the DPRK, in conformity with the principles of international law. KEDO and the DPRK shall organize a coordinating committee composed of three people from each side to help settle disputes that may arise in the process of implementing the Agreement.

2. Any dispute that cannot be resolved in this manner shall, at the request of either side and with the consent of the other side, be submitted to an arbitral tribunal composed as follows: KEDO and the DPRK shall each designate one arbitrator, and the two arbitrators so designated shall elect a third, who shall be the Chairman. If, within thirty days of the mutual agreement for arbitration, either KEDO or the DPRK has not designated an arbitrator, either KEDO or the DPRK may request the President of the International Court of Justice to appoint an arbitrator. The same procedure shall apply if, within thirty days of the designation or appointment of the second arbitrator, the third arbitrator has not been elected. A majority

of the members of the arbitral tribunal shall constitute a quorum, and all decisions shall require the concurrence of two arbitrators. The arbitral procedure shall be fixed by the tribunal. The decisions of the tribunal shall be binding on KEDO and the DPRK. Each side shall bear the cost of its own arbitrator and its representation in the arbitral proceedings. The cost of the Chairman in discharging his duties and the remaining costs of the arbitral tribunal shall be borne equally by both sides.

## **Article XVI**

### **Actions in the Event of Noncompliance**

1. KEDO and the DPRK shall perform their respective obligations in good faith to achieve the basic objectives of the Agreement.

2. In the event that either side fails to take its respective steps specified in the Agreement, the other side shall have the right to require the immediate payment of any amounts due and financial losses in connection with the LWR project.

3. In the event of late payment or nonpayment by either side with respect to financial obligations to the other side incurred in implementing the Agreement, the other side shall have the right to assess and apply penalties against that side. Details concerning the assessment and application of such penalties shall be specified in a separate protocol between KEDO and the DPRK pursuant to the Agreement.

**Article XVII**  
**Amendments**

1. The Agreement may be amended by written agreement between the two sides.
2. Any amendment shall enter into force on the date of its signature.

**Article XVIII**  
**Entry into Force**

1. The Agreement shall constitute an international agreement between KEDO and the DPRK, and shall be binding on both sides under international law.
2. The Agreement shall enter into force on the date of its signature.
3. The Annexes to the Agreement shall be an integral part of the Agreement.
4. The Protocols pursuant to the Agreement shall enter into force on the date of their respective signature.

IN WITNESS WHEREOF, the undersigned, being duly authorized, have signed the Agreement.

DONE at New York City on this *15th* day of December, 1995, in duplicate in the English language.

For the Korean Peninsula  
Energy Development  
Organization

For the Government of the  
Democratic People's  
Republic of Korea

## ANNEX 1

The scope of supply of the LWR plants referenced in Article 1 of the Agreement for which KEDO shall be responsible shall consist of the following tasks and items.

1. Site survey
2. Site preparation, which shall consist of the clearing and leveling of the site and provision of electricity necessary for construction at the site, and water services at the site necessary for completion of the LWR plants.
3. Preconstruction infrastructure that KEDO deems is integral to and exclusively for use in the construction of the LWR plants, which shall consist of roads within the site boundary, access roads from the site to off-site roads, barge docking facilities and a road from there to the site, a waterway and water catchment facilities including weir, and housing and related facilities for KEDO, its contractors, and subcontractors.
4. Technical documents necessary for the operation and maintenance of the LWR plants, including the construction schedule.
5. Power plant systems, facilities, buildings, structures, equipment, and auxiliary facilities, including laboratory and measurement equipment and cold machine shop, that KEDO deems necessary for the two LWR plants.
6. A low and medium radioactive waste storage building with a ten-year storage capacity for the two LWR plants.
7. All tests required up to take-over.
8. The inventory of spare parts, wear parts, consumables, and special tools as KEDO deems necessary for a two-year period of plant operation, in accordance with standard nuclear industry practice.

9. Nuclear fuel for the initial loading of each LWR, including such fuel rods as may be necessary to preserve safety for initial operation.

10. A comprehensive training program for the operation and maintenance of the LWR plants implemented by KEDO and its contractors in accordance with standard nuclear industry practice, including provision of a full-scope simulator.

11. Technical support services as KEDO deems necessary for operation and maintenance of the first LWR plant for one year after completion at that LWR plant, in accordance with standard nuclear industry practice.

12. Overall project management.

## **ANNEX 2**

The tasks and items referenced in Article 1 (2) of the Agreement for which the DPRK shall be responsible shall consist of the following:

1. Securing the site (land and marine) for the LWR project, including relocation of population, existing structures and facilities.

2. Provision of/access to information and documents necessary for implementation of the LWR project available in the DPRK.

3. Stable supply of electricity for commissioning of the two LWR plants as available in the DPRK.

4. Access to existing harbor, rail, and airport facilities designated by the DPRK and agreed between KEDO and the DPRK in the vicinity of the site for the transportation of materials and equipment necessary for the LWR project.

5. Securing aggregate and quarry site.

6. Communication lines to the LWR project site, to the extent possible, pursuant to Article IX of the Agreement.

7. Qualified operators trained by KEDO to participate in the commissioning.

### **ANNEX 3**

The relevant steps to be performed by the DPRK in connection with the supply of the LWR project under the U.S.-DPRK Agreed Framework, as referenced in Article III (1) of the Agreement, consist of the following:

1. The DPRK will remain a party to the Treaty on the Non-Proliferation of Nuclear Weapons and will allow implementation of its safeguards agreement under the Treaty, as specified in the U.S.-DPRK Agreed Framework.

2. The DPRK will continue the freeze on its graphite-moderated reactors and related facilities and provide full cooperation to the IAEA in its monitoring of the freeze.

3. The DPRK will refrain from the construction of new graphite-moderated reactors and related facilities.

4. In the event that U.S. firms will be providing any key nuclear components, the DPRK and the U.S. will conclude a bilateral agreement for peaceful nuclear cooperation prior to the delivery of such components. Such agreement will not be implemented until a significant portion of the LWR project is completed, as specified in Annex 4 to the Agreement. For purposes of the Agreement, "key nuclear components" are the components controlled under the Export Trigger List of the Nuclear Suppliers Group.

5. The DPRK will continue cooperation on safe storage and uli-

mate disposition of spent fuel from the 5MW(e) experimental reactor.

6. Upon the signing of the Agreement, the DPRK will permit resumption of ad hoc and routine inspections under the DPRK's safeguards agreement with the IAEA with respect to facilities not subject to the freeze.

7. When a significant portion of the LWR project is completed, but before delivery of key nuclear components, the DPRK will come into full compliance with its IAEA safeguards agreement, including taking all steps that may be deemed necessary by the IAEA.

8. When the first LWR plant is completed, the DPRK will begin dismantlement of its frozen graphite-moderated reactors and related facilities, and will complete such dismantlement when the second LWR plant is completed.

9. When delivery of the key nuclear components for the first LWR plant begins, the transfer from the DPRK of spent fuel from the 5MW(e) experimental reactor for ultimate disposition will begin and will be completed when the first LWR plant is completed.

#### **ANNEX 4**

A significant portion of the LWR project, referenced in Article III (3) of the Agreement, means the following. A further elaboration of the definition will be specified in the separate protocol referenced in Article III (3).

1. Conclusion of the contract for the LWR project.
2. Completion of site preparation, excavation, and completion of facilities necessary to support construction of the LWR project.
3. Completion of initial plant design for the selected site.

4. Specification and fabrication of major reactor components for the first LWR unit as provided for in project plans and schedules.

5. Delivery of essential non-nuclear components for the first LWR unit, including turbines and generators, according to project plans and schedules.

6. Construction of the turbine buildings and other auxiliary buildings for the first LWR unit, to the stage provided for in project plans and schedules.

7. Construction of the reactor building and containment structure for the first LWR unit to the point suitable for the introduction of components of the Nuclear Steam Supply System.

8. Civil construction and fabrication and delivery of components for the second LWR unit according to project plans and schedules.

## **6. President Kim Young-sam's 1994 Liberation Day Speech**

---

*August 15, 1994*

Fellow citizens,

I join all of you in heartily celebrating the 49th anniversary of national liberation. In observing the second National Liberation Day since the birth of this democratic civilian Administration, we are more hopeful and confident than ever before about the bright future of our nation. Over the past year and a half, our people have endeavored together to promote change, reform, openness and progress. We have enhanced the nation's competitiveness on the strength of a clean government.

We have restored the building in Shanghai that used to house the Provisional Korean Government. The remains of several patriotic ancestors have been brought home and entombed in their homeland.

The legitimacy of the Republic of Korea has been more firmly established than ever before. Our intrinsic national spirit is being revived as we are proudly shaping a brighter future for our nation. At the same time, the center of a new civilization is shifting toward the Asia-Pacific region. An opportunity is approaching for us to become a key player in this Asia-Pacific era and in the emerging new civilization.

The Korean people cannot live divided forever. We must pool all our national determination and energies. We must become one again

and forge an era in which our proud people are at the forefront of a new civilization.

My 70 million compatriots at home and abroad,

As the President of the Republic of Korea, I have not forgotten for even a single moment my responsibility for the security, survival, unification and prosperity of our 70 million people. It was with this acute sense of responsibility that this past July I pursued a South-North summit meeting.

Now that both the currents of world history and the trend of South-North relations are entering a new phase, I hereby wish to redefine the basic position of our Government on unification.

Over the past century, the Korean people have tirelessly striven to secure independence, freedom and democracy. National liberation will have been truly completed only when we have built a unified Korea marked by blooming democracy and brimming prosperity.

World history has already proclaimed the victory of freedom and democracy. We are now living in the age of ever-spreading democracy. With the advent of this civilian government, democracy is spreading its roots into our soil ever deeper and firmer. We will defend our hard-won freedom and democracy at any cost. I want to make it clear once again that any challenges to our free and democratic system will not be tolerated.

The basic philosophy behind our quest for unification is also centered on the values of freedom and democracy. Without freedom, there can be no democracy. Without democracy, there can be no genuine freedom and peace. With firm faith in democracy and on the strength of the independent abilities of our nation, we must strive harder to overcome the lingering remnants of the Cold War and end the territorial division in order to achieve the long-cher-

ished goal of peaceful unification without fail.

The unification process should be focused not on how to distribute power but on how to enable our people to live together. Unification should be grounded on the values of freedom, democracy and well-being for all, rather than on any ideology focused narrowly on a specific class or group. Efforts toward unification should be concerned not so much with developing a hypothetical structure of a unified state as with building a national community within which all Koreans can live together.

Unification should be achieved on our own according to the wishes of our people and by virtue of our inherent national capabilities. Unification must be achieved peacefully without fail. It must not be achieved through war or one side overthrowing the other. Unification must be achieved democratically on the strength of the freedom and rights of all Koreans.

It will not be possible to unify the South and the North overnight, because the two parts of Korea have been locked into mutual hostility and distrust for as long as they have consistently pursued distinctly different ideologies and markedly different political and social systems. Unification should be a gradual and phased process of building a single national community.

The Government has already made public a three-stage unification formula for building a single national community. It calls first for reconciliation and cooperation between the South and the North, next for forming a Korean commonwealth and lastly for completing a single unified nation-state.

First of all, the presently hostile and confrontational South-North relations must be replaced with an amicable and cooperative relationship. Yemen failed to prevent a civil war even after it was politi-

cally unified. This is because it was unified hastily and superficially without having gone through a process of real reconciliation and cooperation.

South and North Korea must first promote coexistence and coprosperity and then join together in a Korean commonwealth to ensure lasting peace. During the commonwealth stage, the two areas of Korea should form and develop a single socio-economic community to lay the groundwork for political integration.

In short, the Government's Three-Stage Unification Formula for Building a Korean National Community is designed to ultimately build a single nation-state after going through interim stages of integration. The path to unification must also be the path to democracy and prosperity. A unified homeland which will belong to all 70 million Koreans must be built on a national community and must guarantee every individual citizen freedom, welfare and human dignity.

My compatriots at home and abroad,

The Cold War era is finally leaving the Korean Peninsula, too. The competition between the South and the North over which can create a better society has already been decided. The 20th century has witnessed the failure of the experiments of socialism and Communism. Following the demise of the Cold War, the whole world is now marching down the avenue of freedom, well-being and openness. The Korean Peninsula alone cannot be excluded from this historic global trend.

The North Korean leadership must, as a matter of course, abandon their obsolete strategy of communizing the South. They must also undertake bold reforms, including the improvement of the human rights situation. Pyongyang must not only recognize the

plight of dispersed families as a basic human rights issue but also promptly cooperate to resolve the problem of South Koreans who were abducted.

South-North relations should be focused on how to promote the well-being of the entire populace, rather than be mired in futile ideological confrontation. Now is the time for us to endeavor harder to catch up with the changing times and make pragmatic preparations one after another for moving toward peace and cooperation.

Currently, North Korea is undergoing a major transition as it experiences its first succession of power since the regime was found (in 1948).

We hope that the North will come to pursue a path of reform and openness amidst stabilization. Our Government and our people, as fellow brethren, will spare no effort in supporting and cooperating with the North for such endeavors. Only after the people of the South and the North cooperate with each other and bring about mutual prosperity will it be possible to form a single economic community which will naturally pave the way for unification.

National unification should not hinder the Korean national community's efforts to join the ranks of the advanced nations; instead, it should help further develop the creativity and potential of our people. This is the reason that we do not desire unification by absorption.

The first step toward improving South-North relations should be to build mutual trust. Mutual trust can only be built when mutual commitments are sincerely translated into action. The Basic Agreement between the South and the North and the Joint Declaration of the Denuclearization of the Korean Peninsula were landmark accords for reconciliation and cooperation declared before the

entire Korean people and international society.

The North Korean nuclear issue which has created such serious tension on the Korean Peninsula during the past year, should be resolved by complying with the Joint Declaration of the Denuclearization of the Korean Peninsula. For the sake of creating an atmosphere conducive to promoting reconciliation and cooperation, we must immediately stop slandering each other and expeditiously build up military trust so that the state of military confrontation can finally be ended.

Our doors are always open for dialogue with the North at any place and any time. The North must open its doors and join the rest of the international community. We have never wanted to see the North isolated from the rest of the world. For its part, the North must give up its isolationist adventurism emboldened by its nuclear ambition.

If and when the North guarantees the transparency of its nuclear activities, we are ready to support their development of the peaceful use of nuclear energy, including light-water nuclear reactor construction, by providing them with the necessary capital and technology. This could well become the very first joint project for national development leading to the establishment of a single community of the Korean people.

Fellow citizens,

I repeat once again that we are hoping for a unification which is gradual and step-by-step. However, there is, of course, the possibility that unification could occur unexpectedly at any time. We must examine every possibility and be fully prepared for any outcome.

Whenever or however it happens, national unification must begin with the restoration and development of the presently divided and

heterogenous elements of Korean society into a unified national community. To this end, we must begin by developing our own society into a model democratic community. Unification will not only bring glory and joy, but will also entail pain and sacrifice, and we must gather the strength and courage needed to endure this.

We must always keep in mind the difficulties being experienced by our brethren in the North. The problems of the North are our own problems. We must always be prepared and ready to cooperate with our fellow brethren. We must resolutely prepare ourselves for national reconciliation and unification.

Fellow citizens and brethren overseas,

As we reflect on the past half-century, we cannot help but be emotionally moved and at the same time ashamed of ourselves, even more so as we recall the difficulties and sufferings of our people in the South, in the North and overseas. We must strive to make the year 1995, the 50th anniversary of the restoration of our independence, a milestone in our history. It is for this reason that we are beginning preparations now for commemorating that event.

I would like to propose to my compatriots at home and abroad that the 50th anniversary of liberation be made a catalyst for our concerted efforts toward opening an era of the 70 million Korean people living under one roof.

Our people successfully overcame the oppression of colonial rule, and our independence was restored. Our people fought against dictatorship and successfully established a democracy. Our people rose from the ashes of the Korean War and brought about the Miracle on the Han River.

As an extension of this, now our people must endeavor to create a New Korea, a unified nation fully enjoying democracy and prosperi-

ty. Just as our forebears shed their precious blood for the liberation of our homeland, we must now shed our own sweat for a second liberation. By doing so, I hope we will be able to hand over to our posterity the unified, prosperous homeland our forebears and we dreamed about and have striven so long to create.

Our nation will stand tall at the center of a new world civilization without fail. Let us all pool our strength and closely cooperate for a second liberation. Let us all march together toward a great era of national unity.

Thank you.

## **7. President Kim Young-sam on the 51st Anniversary of National Liberation**

---

*August 15, 1996*

My 70 million compatriots at home and abroad and distinguished guests,

We are gathered here today, on the 51st anniversary of national liberation, in order to renew our pledge to realize the unification of our country and the glory of our people. My fellow Koreans who are watching this occasion right now can still feel the deep emotion of 51 years ago when people, freed at last from the oppression of colonialism, reached down to touch the soil with their hands to confirm that it was now their own, and when even the sea danced in jubilation.

This place is also filled with pride over the progress we have made in the past half century, during which we have created something out of nothing with only our blood and sweat.

The torch that symbolizes our hopes and courage is burning bright allowing us to forge the approaching 21st century into an age of the Korean people.

We feel acutely the importance of "nation" on this day every year. We are able to advance into the world and the future, singing the joys of progress, only because we have a nation.

First of all, I would like to humbly express my profound respect for our patriotic forefathers who sacrificed their lives to lay the foundation for our independence. I would also like to express my deep gratitude to the great people of this country who have played

the main role in developing our country into a land of freedom and prosperity.

Fellow citizens,

For the past half century, we have worked hard to build this nation, overcoming the yoke of national division and the devastation of war. Although harsh and adverse circumstances have blocked our progress along the path, we have, with an indomitable will, succeeded in making our nation into what it is today.

The Republic of Korea which had its start as one of the poorest nations in the world now has become the world's 11th largest economy with a per capita income of US\$10,000. The democracy that we have achieved together has turned the people into the true master of this country and the Republic into a nation that can stand tall in the world. We have righted the wrongs of the past and established a truly democratic Government, raising the level of our pride in the nation. We are satisfied that our country which used to receive assistance from others has become a nation that provides others with assistance.

At the Atlanta Olympic Games 10 days ago, we were able once again to confirm the power and energy of our people.

The status of our nation in the international community has never been higher. This means that the dreams of our patriotic forefathers who ardently pursued a free and prosperous independent nation are being realized. You, the people, have created the Korean miracle in the past half century.

My 70 million compatriots,

Today, when the second half century since national liberation has begun to unfold, we have to resolve to make a new start to complete a century of independence.

We have an ardent wish. It is to complete our incomplete state of independence. It is a wish to create a great age of the Korean people and a nation that can stand tall at the center of the world, a nation that leads the world in democracy and prosperity, a cultured nation in which spiritual values and morality are respected and a unified nation that could contribute to the peace and prosperity of the world. These are the stuff our dreams are made of.

And we can do it. With the power and strength that have achieved the Korean miracle, we can surely realize the glory of the Korean people.

Fellow Koreans at home and abroad,

The greatest task facing our people is to achieve peaceful unification. This is a must, if we are to be completely and truly independent.

The first step toward peaceful unification is to recognize that all 70 million Korean people are one. We always have to think about our compatriots not only in the South, but also in the North as well as in other parts of the world.

The fact that we sent an enormous amount of free rice, worth 190 billion won to North Korea without any condition last year was aimed at relieving the compatriots in the North of their difficulties. Although, regretfully, our good intention has not resulted in reconciliation and cooperation between the South and North, it nevertheless is highly significant if it is seen from a long-term perspective and in the context of the history of our people.

The cardinal factors for improving inter-Korean relations and achieving peaceful unification are peace and cooperation. Only peace and cooperation can help us overcome the pain of national division. They will be the key that opens the path toward unifica-

tion and prosperity.

In this respect, I will enunciate our position in support of peace on the Korean Peninsula and Inter-Korean cooperation.

First, we want stability in North Korea. We do not want the difficulties North Korea is experiencing now to develop to the point where they would affect stability there.

Second, we do not want North Korea to be isolated. We hope that North Korea will become a sound member of the international community so that, together with us, it can enhance the capability of our people and make contributions to the world.

Third, we do not pursue unification that is imposed by one side on the other. The Korean question should be resolved in a peaceful and practical way in accordance with agreements between the South and North.

As the parties directly concerned with the Korean question, South and North Korea, through the basic inter-Korean agreement, have already promised to the world and their people that they will work to settle peace on the Peninsula and promote exchanges and cooperation. This promise should not be delayed any longer.

Based on this fundamental spirit, I intend to take the lead in solving inter-Korean problems.

My 70 million fellow compatriots,

It was in the spirit of peace and cooperation that President Bill Clinton of the United States and I proposed a four-party meeting on Korea last April. A wide-range of problems related to the relaxation of tension and the settlement of peace on the Korean Peninsula could be discussed at the four-party meeting. Above all, the problem of establishing a peace structure would be discussed there. The question of building trust between the militaries of the two side

would also be discussed. Furthermore, from the standpoint of the relaxation in tension, inter-Korean economic cooperation could be discussed.

I would like to take this opportunity to express our thinking on the problem of economic cooperation that would be taken up at the four-party meeting.

First is the problem of food. North Korea is now experiencing a serious food shortage. Especially, the flood damage caused by last month's torrential rains is adding to the pain felt by the North Koreans. As part of the same people, we could not but feel truly sorry for them.

We have helped the North Korean with brotherly love in the past and will exert efforts to encourage international support for North Korea in the future. However, North Korea's food shortages could never be solved through temporary outside assistance. We are prepared to help North Korea find a fundamental solution to its food problem.

First of all, we can help increase North Korea's agricultural productivity in various ways. We could also assist North Korea in its recovery efforts from the devastating floods by providing it with machinery and equipment. Moreover, we are also willing to supply the necessary goods and materials by expanding inter-Korean trade and investing in the Najin-Sonbong free trade zone. We would also allow South Korean tourists to visit North Korea. Economic exchanges such as these would be carried out mainly by private businesses.

Prior to these exchanges, however, the Government authorities of the South and North will have to work out agreements to guarantee the safety of people and materials to be exchanged, among other

things. I hope that Government authorities of the two sides will push further meaningful and practical economic cooperation through dialogue under the basic principles of mutual benefit and relaxation of tension.

North Korea's economic problems can be resolved only through genuine consultation and cooperation with the South. More than anyone else, we have a strong desire and the capabilities to assist North Korea.

Therefore, I believe that when the four-party meeting is held, North Korea will be able to benefit from political stability, military trust and economic profits.

The reason that other nations of the world support the four-party meeting is because it is the best way to attain stability and prosperity not only on the Korean Peninsula but in all of Northeast Asia.

I urge North Korean leaders once again to attend the four-party meeting not only for themselves but also for the future of the Korean people and of Northeast Asia.

Fellow citizens,

The peaceful unification of our country has now become a real task for us. The fate of our people depends entirely on ourselves. We have to realistically prepare for unification. As our desire for unification heats up, our pace toward unification should be deliberate and cautious. Sentimentalism or the idea that one side should do a favor to the other in order to realize unification at any cost do not help solve inter-Korean problems.

I will firmly deal with any group that tries to overthrow our Government or any political system that challenges democracy on which the Government is built.

National security has to be firmly maintained. As the comman-

der-in-chief of the armed forces, I will firmly guard our nation and people with mighty military force. The combined ROK-US defense posture and cooperative structure are firmer than at any time before.

In order to realize a unified Korea, national unity is more important than anything else. To that end, we have to achieve unity among regions, classes and generations.

Politics should no longer be a struggle between regions or factions; it should rather concentrate the people's strength through unity and harmony; it will have to be developed into politics that manages the nation with a firm vision for the future. It has to develop into globalized politics that could help manage world affairs.

Our economy will also have to make a leap forward so that all 70 million Korean people will enjoy affluence together. We will have to increase the size of our economy to US\$1 trillion and that of trade to US\$ 500 billion by the beginning of the next century.

I am well aware of the people's concern over our economy of late. In order to reinvigorate our economy, the Government is making utmost efforts. I earnestly urge you to cooperate with the Government in its efforts to recover the nation's economy and make our life affluent through thrift and savings.

We also have to have justice and rationality take root in our society by steadily pushing reform and changes.

By further promoting globalization, we have to raise standards in all fields to the world's top level. If all our people make unified efforts, our capacity for unification will be doubled and unification will be realized much sooner.

70 million compatriots at home and abroad,

A new world is opening up before our eyes.

In the coming 21st century we will stand tall and lead world efforts to achieve prosperity for humankind and peace.

Let us march together, shoulder to shoulder, for the true independence of our country. Let us achieve unification with our own hands. Let us forge a first-rate nation. Let us create the age of the Korean people. Thus, let us hand the glory of the Korean people, that our patriotic forefathers so ardently wished, to our descendants for generations to come.

Thank you.

## APPENDIX

---

### THE MAJOR DEVELOPMENTS IN INTRA-KOREAN RELATIONS

*Dec. 1, 1943* The Cairo Declaration adopted by the Allies

- The United States, Great Britain, and China agree that "in due course Korea shall become free and independent."

*Aug. 15, 1945* Korea liberated from Japan.

*Nov. 14, 1947* Korean resolution adopted at the U.N. General Assembly

- The United Nations Temporary Commission on Korea (UNTCOK) formed to monitor national elections

*Jul. 17, 1948* Constitution of the Republic of Korea promulgated

*Aug. 15* The Republic of Korea and its government inaugurated.

*Sept. 9* The Democratic People's Republic of Korea and its government inaugurated.

*Dec. 12* Korean resolution adopted at the U.N. General Assembly

- The Republic of Korea recognized as the only legitimate state on the Korean peninsula.

*Jun. 25, 1950* The Korean War breaks out with a full-scale invasion by North Korea.

*Jul. 27, 1953* Armistice Agreement signed.

*Apr. 26, 1954* Post-Korean War Political Conference held in Geneva

-14-point unification proposal presented by the South Korean foreign minister

*Aug. 14, 1960* Idea of a Korean confederation first introduced by North Korea.

*Aug. 27* South Korean Prime Minister Chang Myon proposes  
- all-Korea general elections under the monitoring of the U.N.

*Aug. 15, 1970* South Korean President Park Chung-hee announces the Idea for Peaceful Unification (the August 15 Declaration)  
- The President invites North Korea to join in a “bona fide” competition and expresses his willingness to present drastic and practical measures for unification.

*Aug. 12, 1971* President of ROK National Red Cross proposes a Red Cross talks on issue of separated families.

*Sept. 20* The first preliminary meeting for the Red Cross talks convened

*Sept. 22* Direct telephone line opened between the two Koreas

*Jul. 4, 1972* The South-North Joint Communiqué announced simultaneously in Seoul and in Pyongyang.

- The two Koreas agrees on the three basic principles for unification— independence efforts, peaceful means, and great national unity—and on the creation of the South-North Coordinating Committee.

*Aug. 29-Sept. 2* The first round of Red Cross talks held in Pyongyang

*Sept. 12-Sept. 16* The second round of Red Cross talks held in Seoul.

*Nov. 30-Dec. 2* The first meeting of the South-North Coordinating Committee convened in Seoul.

*Jun. 23, 1973* President Park announces the Special Foreign Policy Statement Regarding Peace and Unification.

- “[South Korea] shall not object to [its] admittance into the United Nations together with North Korea if the majority of the member states of the United Nations so wish.”

*Aug. 28* North Korea declares unilateral suspension of intra-Korean dialogue.

*Jan. 18, 1974* President Park proposes a mutual non-aggression agreement.

*Aug. 18, 1976* North Korean soldiers axe down two U.N. Commission officers in the joint security area of the DMZ.

*Feb. 27, 1979* The first round of Intra-Korean Table Tennis Talk held.

*Feb. 6, 1980* The first working-level preparatory meeting for talks between prime ministers held at the Neutral Nations Supervisory Commission conference room in Panmunjom.

*Jan. 12, 1981* South Korean President Chun Doo-hwan proposes exchange of visits between the highest authorities of the two Koreas.

*Jan. 22, 1982* President Chun proposes the Formula for National Reconciliation and Democratic Unification.

*Apr. 9, 1984* The first round of intra-Korean athletic talks held.

*Sept. 29-Oct. 4* The DPRK National Red Cross delivers aids for South Korean flood victims.

- Rice, fabrics, cement, and medicine.

*Nov. 15* The first round of intra-Korean economic talks held.

*Jul. 23, 1985* The first preliminary meeting for intra-Korean parliamentary talks convened.

*Sept. 20-23* Simultaneous cross-visits of Seoul and Pyongyang by separated families and performing artists.

- A total of 65 families or 92 people meet with their families.

- Oct. 8-Oct. 9* The first intra-Korean athletic talks held in Lausanne, Switzerland.
- Jan. 20, 1986* North Korea declares indefinite postponement of all intra-Korean dialogue in a protest against the ROK-US Team Spirit joint military exercise.
- Jul. 7, 1988* South Korean President Roh Tae-woo announces the Jul. 7 Special Presidential Declaration
- Mar. 9, 1989* Intra-Korean athletic talks held.  
- Discussion over forming a single national team for the 1990 Beijing Asian Games
- Sep. 11* President Roh proposes the Korean National Community Unification Formula.
- Sept. 4, 1990* The first round of intra-Korean high-level talks held in Seoul
- Oct. 16* The second round of intra-Korean high-level talks held in Pyongyang
- Mar. 25-May 9, 1991* A single Korean national team formed and entered the World Table Tennis Championship.
- May 6-Jun. 28* A single Korean national team formed and entered the World Junior Soccer Championship.
- Sept. 17* Both Koreas join the United Nations.
- Dec. 10-Dec. 13* The fifth round of intra-Korean high-level talks held in Seoul  
- Agreement on Reconciliation, Nonaggression and Exchanges and Cooperation (the Basic Agreement) adopted.
- Feb. 18-Feb. 21, 1992* The sixth round of intra-Korean high-level talks held in Pyongyang; the Basic Agreement goes into effect; Joint Declaration of the Denuclearization of the Korean Peninsula.

*Mar. 12, 1993* North Korea announces its withdrawal from the Nuclear Non-Proliferation Treaty.

*Jul. 6* South Korean President Kim Young-sam announces the Three-phased Unification Formula and Three Principles for Unification Policy.

*Oct. 5* The first working-level contact for the exchange of special envoys to resolve the pressing intra-Korean issues, including North Korean nuclear threat, made in Pamunjom.

*Mar. 19, 1994* The working-level contacts for the exchange of special envoys suspended after the eighth contact.

*Jun. 10* International Atomic Energy Agency (IAEA) adopts a resolution to invoke sanctions against North Korea.

*Jun. 13* North Korea announces its withdrawal from IAEA.

*Jun. 28* Preliminary contact for intra-Korean summit held in Panmunjom.

- Agreement on intra-Korean summit signed; the Summit scheduled to be held in Pyongyang from Jul. 25 to 27.

*Jul. 9* Kim Il-sung dies.

- Two days later, North Korea announces indefinite postponement of intra-Korean summit.

*Aug. 15* President Kim proposes the Three-phased Formula for Building Korean National Community.

*Oct. 21* The Agreed Framework between the United States and North Korea signed.

*Mar. 7, 1995* President Kim delivers a speech in Berlin.

- Willingness to provide grain and raw materials to North Korea expressed

*Jun. 17-24* Intra-Korean vice-ministerial talks on rice aids held in Beijing.

- South Korea agrees to donate 150,000 tons of rice for the North Korean flood victims.

*Jun. 25* Shipment of rice aids begins.

- *Sea Apex* loaded with 2,000 tons of rice leaves the South Korean port of Donghae.

*Aug. 15* President Kim proposes the Basic Principles for Settling Peace in the Korean Peninsula.

*Nov. 9* South Korea becomes a non-permanent member of the U.N. Security Council.

*Dec. 15* Agreement on Supply of Light-water Reactor Project signed between the KEDO and North Korea in New York.

*Apr. 16, 1996* Joint proposal for the four-party talks among South and North Korea, the United States, and China made at the ROK-US summit held in Cheju Island.

*Jun. 11* South Korean Deputy Prime Minister for National Unification Kwon O-Kie announces food aids to North Korea.

- \$3 million worth of food donated to relieve North Korea's flood damage.

*Aug. 15* President Kim announces his government's position in support of peace on the Korean peninsula.

*Sep. 18* A group of North Korean Commandos infiltrate the South Korean territory using a submarine.

*Oct. 15* The United Nations Security Council unanimously adopts the presidential statement regarding the submarine infiltration incident.



# INDEX

## A

- Agreed Framework — 61, 123
- agricultural cooperation — 64
- armistice agreement — 13, 23, 26
- athletic talks — 103
- Athletic Talks in Lausanne — 89

## B

- Basic Agreement — 21, 24, 39, 85, 138, 161
- Basic Principles for Construction  
of Peace Regime — 56
- Beijing Asian Games — 103
- Beijing Conference — 113

## C

- Cairo Conference — 5
- Cairo Declaration — 6
- constitutional Assembly — 10
- Contact — 140
- Cross-visits — 140

## D

- Declaration of the Absence of  
Nuclear Weapons — 122
- Declaration of the Denuclearization  
of the Korean Peninsula — 122

Direct Intra-korean Trade — 155

Dr. Syngman Rhee — 10

## E

- economic talks — 94
- End-of-The Year Unification Traditional  
Art Festival — 107
- exchange of people — 144
- Exchange of Special Envoys — 108

## F

- Five Point Program for Unification — 76
- food assistance — 63
- Formation of a united front — 74
- Formula for Creating a Democratic  
Confederal Republic of Koryo — 76
- Formula for National Reconciliation  
and Democratic Unification of 1982  
— 38
- Four-party Talks — 57
- future of a Unified Korea — 49

## G

- General Assembly Resolution No. 195  
— 11
- General Douglas McArthur — 6

Geneva Conference — 14  
Guidelines for Intra-Korean Exchanges  
and Cooperation of 1989 — 161

## H

High-level Talks — 39, 96  
Humanitarian Projects — 160

## I

IAEA — 22, 121  
Ideas for Peaceful Unification — 38, 84  
Intra-korean Cooperation Fund Act — 143  
Intra-Korean Cooperation Projects — 142,  
158  
Intra-Korean Exchanges and Cooperation  
Act — 137  
intra-Korean soccer matches — 104  
intra-Korean summit — 111  
Intra-Korean Trade — 141

## J

Joint Declaration of the Denuclearization  
of the Korean Peninsula — 21, 85, 122  
joint project for national development —  
60  
Joint US-USSR Commission — 7  
Juche ideology — 69, 72  
July 7 Declaration 38, 137

## K

KEDO — 61, 124  
Kim IL-Sung — 113, 171  
Kim Jong-il — 171

KNCU formula — 20, 45  
Korean commonwealth — 48  
Korean Electric Power Co. — 132  
Korean National Community Unification  
Formula of 1989. — 38  
Korean War — 11  
Kuala Lumpur agreement — 127

## L

liberal democracy — 51  
LWR project — 59, 123

## M

MAC — 23, 56  
*March First Movement* — 4  
Membership in the United Nations — 21  
Moscow Conference — 7

## N

national community — 52  
National liberation — 71  
Neutral Nations Supervisory Commission  
(NNSC) — 56  
New Korea — 55  
[North] *Korea*-China Treaty of  
Friendship, Cooperation, and  
Mutual Assistance — 29  
[North] *Korea*-Soviet Treaty of  
Friendship, cooperation, and  
Mutual Assistance — 29, 32  
North Korea's unification formula — 71  
North Korea-China relations — 29  
North Korea-Japan relations — 31  
North Korean approach — 69

North Korea-Soviet(or Russia) relations —  
29

Nuclear Non-proliferation Treaty  
(NPT) — 21, 121  
nuclear talks — 95

## P

parliamentary talks — 95  
peaceful means and military force — 73  
People's democracy — 71  
performing troupes — 93  
Postponement of the Summit — 112  
Potsdam Conference — 5  
President Bill Clinton — 57  
President Kim Young-sam — 57, 63, 108  
Processing Trade — 155  
Protocol on Communication — 129  
Protocol on site Take-over — 130  
Protocol on the Juridical Status — 128  
Protocol on Transportation — 129  
President Park Chung-hee — 84  
prime contract — 132  
prime ministerial talks — 89  
Pyongyang Pan-Korean  
Unification Music Festival — 107

## R

Red Cross talks — 86, 91, 107  
Rice Aid — 163  
ROK-China relations — 30  
ROK-Japan relations — 33  
ROK-Russia relations — 30  
Russo-Japanese War — 4

## S

*Samsun Venus* — 116  
*Sea Apex* — 115  
separated families — 93, 160  
single national team — 103, 106  
Sino-Japanese War — 4  
site survey — 130  
South-North Coordinating Committee — 88  
South-North Joint Communiqué — 84  
South-North Joint Military  
Commission — 100  
South-North Joint Nuclear Control  
Commission — 102  
South-North Joint Reconciliation  
commission — 102  
South-North Liaison Offices — 99  
Special Foreign Policy Statement  
on Peace and Unification — 16  
special interim relationship — 25  
Subcommittee on Exchanges and  
Cooperation — 101  
Subcommittee on Military Affairs — 99  
Subcommittee on Political Affairs — 98  
submarine infiltration — 24  
Supply Agreement — 125, 128

## T

Talks on Protocols — 128  
Teheran Conference — 5  
three basic principles — 46  
Three-phased Unification Formula for  
Building A Korean National  
Community — 39  
three phases in the process of  
unification — 47  
three revolutionary forces — 72

**U**

UNCURK — 15

UNICEF — 163

Unified Korea — 53

United Nations Security Council — 23

United Nations Forces — 12

unrestricted items — 141

UNTCOK — 9

**W**

WFP — 63

World Junior Soccer

Championship — 105, 159

World Meteorological

Organization(WMO) — 163

World Table Tennis

Championship — 105, 159

**Y**

Yalta Conference — 5