

## THE U.S.-NORTH KOREAN NUCLEAR AGREEMENT: A SIX-MONTH REPORT CARD

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The Agreed Framework signed by the United States and communist North Korea last October aims to freeze and ultimately dismantle the Pyongyang regime's menacing nuclear weapons development program. The Clinton Administration concedes that North Korea already may have constructed one or two nuclear weapons. A North Korean nuclear weapons program violates two major international agreements: the Nuclear Non-Proliferation Treaty (NPT), which Pyongyang signed in 1985, and the Non-Nuclear Declaration inked with Seoul in 1992. America's ally, South Korea, has complied faithfully with both agreements.

Over the six months since the Framework was signed in Geneva in late October, the North on several occasions has acted in ways that call into question its commitment to the agreement and to easing tensions both with the U.S. and with South Korea. On December 17, 1994, the North downed a U.S. helicopter that strayed into its territory, killing one U.S. serviceman and detaining another on false charges of espionage. Fuel oil given to the North by the U.S. in February was diverted for military purposes in violation of the Geneva agreement. On April 20, U.S.-North Korean talks broke down after Pyongyang refused to accept commitments it had made earlier to allow South Korean participation in implementing the Agreed Framework.

Still, the North has lived up to its promise to "freeze" its nuclear program. Thus, for now, the Administration's efforts deserve support and encouragement. Further negotiations will confirm whether Pyongyang is willing to abide by the full scope of its obligations under the Geneva accord.

### A Generous Package for the North

The U.S.-North Korea deal created the Korean Peninsula Economic Development Organization (KEDO), a consortium of nations led primarily by the U.S., South Korea, and Japan. KEDO is responsible for constructing two light water reactors for the North that would be less capable of producing weapons-grade fuel than Pyongyang's existing technology. The construction project's price tag is estimated conservatively at about \$4.5 billion, with South Korea playing the "central" role in financing the project and Japan promising to make a "significant" contribution. It generally is expected that Seoul will pay about half of this bill.

The same consortium will assist North Korea's faltering economy by providing very large quantities of fuel oil. Moreover, Washington is easing its long-standing trade embargo on North Korea and will advance toward diplomatic relations with the North. The first step would be the exchange of "liaison offices." Japan also has resumed normalization talks with Pyongyang.

In return, the North has agreed to “freeze” its nuclear program and to allow limited scrutiny by the United Nations’ International Atomic Energy Agency (IAEA). This prevents the North from taking additional steps to reprocess spent reactor fuel for bomb-making purposes. The North also has pledged to move its large cache of spent fuel rods out of the country and to permit the IAEA finally to perform “special inspections.” These inspections would give the U.N. body a reliable estimate of the North’s bomb-making capabilities. However, these pledges would not be fulfilled until delivery of key nuclear components to North Korea for completion of its first reactor. This could take five years.

In the final stage of the deal, once both reactors have been completed, the North promises to dismantle all of its nuclear facilities that exist today. According to Clinton Administration estimates, this dismantling will not begin for at least ten years.

## Pyongyang’s Drive to Isolate Seoul

Under the Geneva agreement, the U.S. and North Korea pledged to “make best efforts” to conclude negotiations on a reactor supply contract within six months. The contract was to outline the details of the massive construction project. When Washington and Pyongyang signed the deal on October 21, 1994, the North’s negotiators made a verbal commitment to accept South Korean-manufactured reactors. Since Seoul will be paying the lion’s share of the project’s bill, it understandably has been tapped by KEDO as the central player in the project. Seoul expects to act as the prime contractor in the reactor construction.

However, talks between the U.S. and the North in Berlin broke down on April 20, one day before the contract target date. Pyongyang reneged on its earlier commitment to accept South Korean reactors. It also opposed Seoul’s central role in KEDO. Senior Republic of Korea government officials have made it clear that, if the North refuses Seoul’s active involvement in the project, the South will not provide financial backing. Since no other nation will come up with several billion dollars in Seoul’s stead, the project cannot proceed without South Korean participation.

In response, the Clinton Administration has proposed that the U.S. and North Korea resume high-level political talks in Geneva in hopes of reaching an agreement on the important reactor project supply contract. This is a prudent signal to the North and the international community that Washington remains open to dialogue. Still, the Administration should draw the line at offering any compromise on the key issue of South Korean participation. Clearly, Pyongyang seeks to isolate Seoul and strengthen its bilateral relations with the U.S. South Koreans have expressed their concern that the North has gained politically in its dealings with Washington while Seoul appears at times to be marginalized. Seoul has no official place at the Agreed Framework bargaining table.

## Policy Options for the Future

Recent talks over the reactor supply contract represent an important milestone in the implementation of the Agreed Framework. The North’s willingness to fulfill all of its commitments under the deal should be tested early on. Pyongyang should be pressed to accept the requirements regarding South Korea’s reactors and Seoul’s central role in KEDO. The U.S. must be prepared to stand firm and avoid further concessions to the North. To its credit, the Clinton Administration did this in a united front with Seoul during the April Berlin talks when it resisted the North’s demands. This was a wise and prudent use of the leverage the U.S. now has with Pyongyang, for the North stands to reap generous political and economic benefits from the agreement. Looking to the future, a consistently strong show of American determination is in order. Past experience indicates that the North will behave responsibly only to the extent that Washington follows a firm, steady course.

If implementation of the framework is hampered by stalemated talks with Pyongyang, the U.S. should maintain a strong and principled posture until the North drops its unreasonable positions. Progress toward the exchange of liaison offices should be slowed, as should the movement toward North Korea-Japan

normalization that began in March. Similarly, trade benefits under the agreements should be curtailed. These actions will be painful for Pyongyang in view of its deteriorating economy and diplomatic isolation.

It is also important that the U.S. press the North to resume talks with Seoul. The nuclear program is but one threat to peace on the Korean Peninsula. A high state of tension exists between the North and South. Pyongyang maintains a massive military force, which includes chemical and biological weapons and long-range missiles. The hostile North Korean regime threatens stability in Northeast Asia, and the 37,000 U.S. troops stationed in South Korea are in harm's way. American vital interests would be served by reducing inter-Korean tension. The Agreed Framework includes a commitment by Pyongyang to resume productive dialogue with Seoul, but it has refused to do so. The U.S., in close consultation with Seoul, must press Pyongyang to restart long-stalled North-South talks. Ultimately, the path to Korean peace and reunification runs not between the U.S. and North Korea, but between Seoul and Pyongyang.

## U.S. Policy for the "Worst Case"

The "worst case" scenario is one in which the North breaches the agreement by restarting its reactor or resuming fuel reprocessing. In this event, the Clinton Administration has made it clear that the Framework would be pronounced null and void by Washington. Steps then should be taken by the U.S., but not steps that would fuel a crisis atmosphere. The North often has operated skillfully in the midst of crises, issuing war threats and pressing Washington to make concessions in order to break an impasse. One mistake American policy makers have made in the past has been to stress that the choice is between an agreement or war. Unless unnecessarily provoked, it is improbable that Pyongyang would embark on a war that eventually would end in its defeat and demise. The combined U.S.-ROK military partnership has deterred the North since the end of the Korean War. This deterrence will continue to function whether or not the North has an active nuclear weapons program.

Additional steps that should be taken in the event of a breach of the nuclear freeze include:

- ✓ **A U.N. vote of condemnation.** The international community can pressure the North through a strong show of displeasure and concern over the North's actions.
- ✓ **Economic pressure on the North through a U.S.-led multilateral coalition.** Pressing for U.N. sanctions against North Korea would not be productive. A sanctions bid would be a slow, tedious process that may be blocked in the Security Council by the North's ally, China. Beijing may be more cooperative if the U.S. and its allies avoid high-profile U.N. action. Only a small number of nations trade with the North. Thus, Washington and Seoul should quietly seek the cooperation of China, Japan, and Russia in curtailing or ceasing trade and aid to the North.
- ✓ **Clear U.S. reaffirmation of its defense commitments to South Korea and Japan.** Significant upgrading of the U.S. military presence in the ROK in the foreseeable future is not necessary. The current combined readiness is adequate. Any provocative movements by the North should be answered, however, by appropriate U.S. counteractions.

A breach of the North's freeze would be a setback, but one that would show that Pyongyang never intended to fulfill its obligations under the agreement in the first place. Tension on the peninsula will continue, but war is not the inevitable outcome. Instead, together with Seoul, the U.S. should make it clear that it will deter, contain, and isolate the North—as it has for more than four decades. Only an end to its extreme international isolation, combined with the institution of domestic reforms, can protect the Pyongyang regime from eventual collapse. Time is on the side of Seoul and Washington, and Washington must not lose sight of this fact.

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