

THE HERITAGE LECTURES

No. 587

An Asian Studies Center Symposium

The Second Anniversary of the
U.S.–North Korean Nuclear Accord:
Cause for Celebration?

*James J. Przystup, Richard V. Allen,
Charles Kartman, Larry A. Niksch,
and Daryl Plunk*



Founded in 1973, The Heritage Foundation is a research and educational institute—a think tank—whose mission is to formulate and promote conservative public policies based on the principles of free enterprise, limited government, individual freedom, traditional American values, and a strong national defense.

Heritage's staff pursues this mission by performing timely and accurate research addressing key policy issues and effectively marketing these findings to its primary audiences: members of Congress, key congressional staff members, policy makers in the executive branch, the nation's news media, and the academic and policy communities. Heritage's products include publications, articles, lectures, conferences, and meetings.

Governed by an independent Board of Trustees, The Heritage Foundation is a non-partisan, tax exempt institution. Heritage relies on the private financial support of the general public—individuals, foundations, and corporations—for its income, and accepts no government funds and performs no contract work. Heritage is one of the nation's largest public policy research organizations. More than 200,000 contributors make it the most broadly supported in America.

Note: Nothing written here is to be construed as necessarily reflecting the views of The Heritage Foundation or as an attempt to aid or hinder the passage of any bill before Congress.

Note: Nothing written here is to be construed as necessarily reflecting the views of The Heritage Foundation or as an attempt to aid or hinder the passage of any bill before Congress.

The Heritage Foundation
214 Massachusetts Avenue, N.E.
Washington, D.C. 20002-4999
202/546-4400
<http://www.heritage.org>

An Asian Studies Center Symposium

THE SECOND ANNIVERSARY OF THE
U.S.–NORTH KOREAN NUCLEAR ACCORD:
CAUSE FOR CELEBRATION?

James J. Przystup
Director,
The Asian Studies Center of The Heritage Foundation

Richard V. Allen
Chairman,
The Asian Studies Center of The Heritage Foundation

Charles Kartman
U.S. Department of State

Larry A. Nicksch
Congressional Research Service

and

Daryl Plunk
Senior Fellow,
The Asian Studies Center of The Heritage Foundation

The Lehrman Auditorium
The Heritage Foundation
November 7, 1996

The Second Anniversary of the U.S.–North Korean Nuclear Accord: Cause for Celebration?

JAMES J. PRZYSTUP: Slightly over two years ago, on October 21, 1994, the United States and North Korea came to terms on an understanding known as the Agreed Framework. In brief, this agreement committed North Korea to shut down and ultimately dismantle its two plutonium-producing heavy water reactors in exchange for the international financing and construction of two light water reactors.

The Agreed Framework allowed the North to put off international inspection of its nuclear waste sites for an extended period of time, but conditioned the start-up of the two light water reactors on North Korea's satisfying concerns of the IAEA (International Atomic Energy Agency) with regard to the history of its nuclear program. To compensate the North for loss of energy due to the closing of the reactors, the agreement committed the United States to supply North Korea with heavy oil for an extended period of time. At the same time, North Korea agreed to resume substantive high-level dialogue with South Korea.

At the time of its signing, the Clinton Administration viewed the document as an important step in containing North Korea's nuclear program. It also viewed the Agreed Framework as an instrument for drawing the North into the international community by building habits of cooperation. While the North has continued to abide by the terms of the Agreed Framework with respect to the freezing of its nuclear program, however, events outside the Framework have evidenced less than a cooperative attitude on the part of the government in Pyongyang:

- In spring 1996, North Korea threatened to rip up the Armistice even as it sent armed troops into the DMZ, violating provisions of the Armistice.
- In fall 1996, Pyongyang was caught red-handed in the act of landing special forces teams on the east coast of the Republic of Korea.
- Finally, Pyongyang has yet to evidence an interest in resuming serious high-level dialogue with Seoul. Last April's joint U.S.–Republic of Korea call for "Four Party" talks—which would bring together the United States, the Republic of Korea, China, and North Korea—remains unanswered.

In the meantime, reports of an impending economic crisis in the North raise serious questions of policy in Washington, Seoul, and throughout the international community. To review the Agreed Framework and to look ahead to the challenges the Korean Peninsula will present for the Clinton Administration, we have assembled a panel with real expertise on the issues affecting this critical relationship, starting with the Chairman of The Heritage Foundation's Asian Studies Center, Richard V. Allen.

RICHARD V. ALLEN: We have three real experts with us this morning to analyze what is certainly a very difficult and complex document with many implications for the future. Our topic is particularly apropos today, since I heard a radio report this morning that the North Koreans once again have threatened to resume their nuclear program if progress is not rapidly resumed.

Progress apparently was suspended in the discussions about supplying the reactors after the recent submarine incursion.

Chuck Kartman most recently was Deputy Chief of Mission with Ambassador James Laney in Seoul. He has come back to become Principal Deputy Assistant Secretary of State for East Asian Affairs and has a distinguished career in Asian affairs in the Department of State as an analyst and practitioner of policy in the areas of Japan, Korea, and China. Larry Niksch is with the Congressional Research Service at the Library of Congress and is a frequent visitor to The Heritage Foundation, not only for this topic, but for others as well, and we are pleased to welcome Larry back with us today. My colleague Daryl Plunk, a Senior Fellow at The Heritage Foundation, has labored long and hard in the trenches of Korean affairs.

This document—the Agreed Framework—is neither a treaty nor an executive agreement. It is a stand-alone commitment by two signatory nations, North Korea and the United States. At the same time, this agreement also relies heavily on the goodwill and the funding of another party, the Republic of Korea, which, although not an actual signatory, has committed to funding and implementing this Agreed Framework and has agreed to participate in the process and the organization of the Korean Peninsula Energy Development Organization (the so-called KEDO), now located in New York, that is scheduled to make things happen in what Washington quaintly calls the “out years,” or the future.

According to the actual commitments made so far, the United States, which is the architect of the arrangement, does not pay a significant share of the full cost of implementation of this agreement; that is to be borne by two key allies with the most direct interests at stake, Japan and the Republic of Korea. Or *does* the United States actually get involved with large sums of money? Apart from the commitment to pay tens of millions annually to supply heavy fuel oil to North Korea and to pay its share of the operating costs of the KEDO organization in New York, the United States is substantially—some would say deeply—committed by virtue of a side letter provided to the North Koreans. This letter, from President Clinton to the Supreme Leader of North Korea, essentially says that, in the event that KEDO should decline to fund all or part of the U.S. commitment to implement the Agreed Framework, the President will deploy all the powers of his office, subject to the approval of Congress, to achieve funding to carry the project forward.

This in itself is an extraordinary commitment, and many observers are still pondering how, without an appropriation by Congress—a constitutionally correct and mandatory procedure, we remind ourselves—any President would be able to make good on this nebulous and open-ended commitment. Another explanation is that it is empty and meaningless, and not a commitment at all, in which case the North Koreans may have cause to remonstrate with us.

Ah, you say, now he’s getting technical on us, not presenting all the facts, and in any case not presenting them in their proper context, and most of these apparent difficulties (some would even use the word “contradictions”) can, in the classic language of our leaders, “be worked out as we move along in the implementing phase.” Besides, you might also complain, “don’t you think that what we got is the best of two imperfect, even bad, options?” Some may say, “Consider the alternative—a North Korea armed with deliverable nuclear weapons. At the very least, we have arrested and literally frozen their nuclear weapons development program, and isn’t that in our best interest and that of our allies?” That is what we are here for today: to discuss these differing views.

The Agreed Framework is also a document that is unique in the annals of modern diplomacy, and that is why we need to look at it carefully and to listen attentively to the experts. Having had the opportunity to testify several times before Congress on the Agreed Framework, I can assure you that its full meaning is not yet clear on the Hill even two years later, and that the Administration has been fortunate to have some measure of support—although sometimes tepid—from people like us at The Heritage Foundation, rather than our active opposition.

Both Larry Nicksch and Daryl Plunk know this document from its origins and will doubtless exhibit a measure of skepticism toward it. Our third colleague on the panel, Chuck Kartman, has the distinct pleasure of thinking about the North Koreans every night as he goes to bed, and has told me that his dreams often require interpretation. He has lived through the genesis of the document and all its ancillary paper. He helped to bring it all into the world, and then he tended the store in Seoul as our Deputy Chief of Mission there, and now incorporates North Korea in his larger duties as Deputy Assistant Secretary of State for East Asian Affairs.

In my remarks, I am not going to go into the finer details of the Agreed Framework; I am going to consider other issues that bear on it, not all of which these gentlemen will be inclined to discuss. I would like to examine briefly what additional considerations ought to be taken into account as we assess this agreement and its chances of success, because it does not stand alone, apart from the environment and the influences in which it must unfold, operate, and develop.

The first aspect I would like to consider is North Korea itself. We all know that the North Korean economy is a train wreck, so to speak, at the present time; that natural disasters have sharply reduced the capability of the regime to feed its people, who are now malnourished; that there is even the prospect of widespread famine in North Korea. Numerous scenarios are available to assess the demise of North Korea, ranging from the frightening one of “explosion” to one something like “implosion.” These are important, but anyone can tell you that it makes no sense whatever to predicate policy on any scenario that assumes North Korea is going to change in a fundamental and dramatic way.

Yet North Korea does not relent in its belligerent attitude and its overtly hostile military threat to the Republic of Korea and to us; nor do we see any sign that this condition is going to change. The recent submarine incursion by the North has caused widespread death and growing concerns about the porosity of the Republic of Korea’s borders and coastlines. Setting a new standard of brazenness, even while preparing and actually deploying the commando raid, Pyongyang was hosting a widely touted “investment seminar” in an effort to lure foreign capital to a duty-free enterprise zone. North Korea systematically reneges on international agreements, and we have every right to expect that this practice is going to continue. It is doubtless the least dependable nation on earth in this respect.

More important than these worrisome factors is that North Korea spurns its commitment to open a meaningful dialogue with South Korea, and continues to try to isolate Seoul and to establish direct contacts with the United States. So far, we have resisted. There is no durable path to peace running from Pyongyang to Washington; rather, the proper path is one between Pyongyang and Seoul.

Then there is the South, our ally. It is a dynamic country, modern in many ways and not yet modern in others. This country has achieved one of the world’s most notable economic miracles; but there is concern that it may be running out of steam, losing any competitive advantage, facing internal dislocation and what South Koreans now consider to be an economic

emergency, a decline in growth from more than 9 percent to nearly 6 percent. There are huge infrastructure needs in the Republic of Korea and a declining, shrinking kitty from which to extract the financial resources to care for those infrastructure needs.

Seoul is one of our most important allies, and we have a specific commitment—a mutual security treaty—that obligates us to perform reliably in time of danger or crisis. But there is a specific reality to Seoul, too, and one aspect of that reality is that the country faces an election year that, to put it very mildly, will be exceptionally challenging. The status of our relations with Seoul has been questioned recently, even by one of our panelists today, and there has been what I would discern as an official statement received from our Ambassador to Seoul, James Laney, a talented and highly effective diplomat who truly knows the territory. (See Daryl Plunk's lengthy piece in the September 29, 1996, edition of the "Outlook" section of *The Washington Post* and Ambassador Laney's equally lengthy piece in *The Washington Times* for Sunday, November 3, 1996.) So there are at least two points of view here as to whether there is daylight, much less any tension, in the relationship between Seoul and Washington.

As a third aspect, we have to take into account Japan, China, and the region, and attempt to gauge just how much support—or grief—we are going to get from those countries in handling North Korea. Japan appears to be marching in lockstep with us and is also trying to coordinate with the Republic of Korea as best it can. The verdict is out on China; some say that China is being "helpful" (whatever that may mean) on North Korea, but any trace of that "helpfulness" has eluded most observers here in Washington. There is another point of view: that China enjoys the leverage that North Korea gives it in China's relationship with others, including especially Japan and the United States. I think this is closer to the mark; I do not believe that China actually fears North Korea or its potential nuclear capability, as China is just about the last global target for North Korea's missiles, conventional or nuclear.

But we cannot count on China; nor should we expect China to be of any real strategic assistance in handling North Korea. Rather, while we should not stop trying to get Beijing involved in a measurable and constructive way, we need to be honest with ourselves and think of China only as an occasional, and not always reliable, communications channel. China has other fish to fry with the United States; and as long as North Korea remains an unbalanced and even a lunatic regional threat, that is actually helpful to China.

Now we come to the most problematic aspect: the United States itself. By this I do not suggest that we do not mean well and that our intentions are anything less than honorable and sincere. I do mean that we have to take into account—and very careful account—the operating environment in this capital city. That is another way of saying that we have to assess the political circumstances of the United States for at least the next four years, which will be a crucial period in the execution of the Agreed Framework. Nuclear specialists, diplomats, financiers, technicians, KEDOCrats, and all the rest can labor mightily at their constructs for the development of this Agreed Framework, but all of this will be of little help if the mood in Washington turns sour and things go south.

Whether that mood will sour depends directly on the ability of the Clinton Administration to get along with the 105th Congress. It may well be that personnel changes at the Cabinet and sub-Cabinet level and at the White House could work to improve relations between the White House and Capitol Hill, especially in foreign policy and national security issues; but based on my experience, I am not counting on it.

A selective and cursory glance backward reveals a little of what I have in mind when I say that. In 1952, the Eisenhower-Stevenson election was fought out largely on the issue of the conduct of the Korean War; in 1960, Kennedy and Nixon debated China policy and a nonexistent “missile gap;” in 1968, the Nixon–Humphrey contest revolved around the war in Vietnam; and in 1980, the Reagan–Carter battle turned on issues of foreign policy and national security, hostages in Iran, growing Soviet military power, and America’s leadership role. I claim some special knowledge, having participated in two of those main events.

The extraordinary thing about the 1996 campaign is that there was not a single significant mention of foreign policy and national security issues: not a word about nuclear proliferation, nothing of terrorism, nothing about Russia and only a meaningless tad about China, silence about the future of Bosnia, a throwaway campaign line on the expansion of NATO, no debate on the condition of our security and the direction in which we are headed, no arguments about defense spending save for a few halfhearted sentences about missile defense, not even a serious or meaningful debate on trade.

On the one hand, you can view this either as a symbol of a prevailing consensus and harmony on these issues spread throughout the land, and particularly in our political circles—meaning that there is no disagreement on our foreign and national security policies—or, on the other hand, it can be seen as the measure of a political process so impoverished that it cannot muster a reasonable debate on issues critical to our future security interests. I think it is the latter.

I would also venture a guess that North Korea is far off the radar screen in Washington at the present time—not off Chuck Kartman’s radar screen, but off the general radar screen. I believe it has the capacity to come roaring back to our attention very quickly, and that could be most unfortunate, especially if other foreign policy crises in the wings were to ripen and have our prior attention. Moreover, why should we *not* expect that North Korea would utilize any one of the boiling foreign policy problems that may ignite to its own advantage and raise the stakes—and regional tensions—to advance its goal of further isolating Seoul and bringing the United States to a more compliant stance, or to “heel?”

CHARLES KARTMAN: It seems to me that the task before us is to look retrospectively at the last two years of the Agreed Framework, but the debate over it is really based upon what one thinks is going to happen prospectively in North Korea.

Nobody really contests the fact that for the last couple of years, things have moved in a slightly better direction than they might have moved before. The North Koreans were a major problem for us before the Agreed Framework. That is, in part, why we entered into the talks with them to freeze the nuclear program. We did not think we were going to turn them around 180 degrees the day after the Agreed Framework; rather, we hoped to provide them a path down which they could tread if they chose to do so in the coming years. We have moved them slightly down that path, and it remains to be seen whether they will continue to move in the same direction. It is a very considerable task for American diplomacy.

In considering the Agreed Framework, I think it is helpful to keep in mind questions such as “What would be the alternative to the Agreed Framework?” and “Would we better off without the Agreed Framework?” Those are fair questions, and they are a good starting point.

Let me first speak to the question of whether we would be better off without the Agreed Framework. In my mind, the Agreed Framework tries to tackle two things. First, it tries to tackle the very specific problem of the North Korean nuclear program. If there had been no North Korean nuclear program about to produce nuclear weapons in 1994, would we have entered into the discussions with North Korea? Clearly not. It is, therefore, implicit in the Agreed Framework that its primary task was to do something to remove the nuclear threat from North Korea. In this primary task, by freezing the program, it has clearly achieved some success. I will not claim that it has achieved complete success, but it has obviously achieved some success because the program was frozen. What was about to become a full-blown assembly line using plutonium to produce nuclear weapons—quite clearly that was what it was all about—has not gone any further. There do remain some questions about how far the North Koreans got up to that point. While we do not have answers to those questions yet, the Framework provides us a means of obtaining them in the next few years.

The second part of the Agreed Framework deals more vaguely with a process of diplomatic normalization with North Korea. This is often referred to as bringing North Korea out of its isolation, helping it to join the community of nations, or changing its international behavior. The language about this is, as I said, rather vague, and the results are similarly vague. In this area, the principal measure of success would be whether North Korea fulfilled its obligation to enter into dialogue with South Korea. It has not done that. It is a fact that Kim Il-sung, just before his death, agreed to a summit meeting with President Kim Young Sam. And in one sense, it was Kim Il-sung's agreement to enter into talks with the United States that finally resulted in the Agreed Framework; his son continued the process with the direction already having been established. So the decision to initiate that process with us and also to meet with President Kim Young Sam might have been, in the mind of Kim Il-sung, a complete approach to dealing with the issues that confront North Korea. We will never know.

We know very little about DPRK policies, but we must try to understand the North Koreans. I think that the North Koreans, and Kim Il-sung in particular, may have made a decision to try to fundamentally change their orientation toward both South Korea and the rest of the world. The Framework Agreement that it reached bilaterally with the United States was a part of that; the decision to enter the summit with Kim Young Sam may have been another part of it. The latter was a far riskier course politically than going down the road of talks with the United States. It is obvious that in the period since then, the North Koreans have not been able to sustain it. I am being quite speculative now, but the son, Kim Jong-il, has not yet taken on all of the titles of his father, and it is still an open question whether he has the full power and influence of his father. We have not yet met, or had any contact with, Kim Jong-il, so I do not speak from firm knowledge about his views or beliefs.

This is all background to the fact that the political half of the Agreed Framework started out vaguely and has not accomplished much at this point. However, I would not dismiss it yet. It still holds promise, and as a next step, Presidents Clinton and Kim Young Sam proposed in Cheju in April 1996 what we are now calling the "Four Party peace talks."

We were talking to North Koreans about getting to four-party talks at the moment of the submarine incursion. That event threw everything off. The question arises: What are the North Koreans up to? Are they trying to raise tensions on the Korean Peninsula? Did the submarine incursion represent a new military threat on the part of the North Koreans? I am not able to speak definitively about it at this point. We do not know enough about North Korean

intentions. The North Korean military threat to the South has always been considerable; it has always been one of the most important factors in the American presence and involvement in the Korean Peninsula. We have never downplayed the threat. Dealing with it is most of what I do during the day. If I thought the Agreed Framework were in some way increasing the threat to the South, I would have to speak out against it, but I do not believe that is the case. I think that the Agreed Framework is designed to reduce, and has in fact reduced, the threat to the South.

LARRY A. NIKSCH: The comments that I'm about to give you are my own personal observations and do not represent any official view of my own organization or of any other organization in the U.S. government.

I would sum up the role and the influence of the 104th Congress in this way: When Congress took office in January 1995, there was a considerable amount of attention given to the Agreed Framework by some key members of both the House and the Senate. As a result, there were some extensive hearings held early in 1995. There was interesting testimony given in those hearings; a lot of information was inserted into those hearings; and some of my colleagues participated in testifying before several of these committees. The hearings, however, came to a conclusion, and not much happened legislatively. I think that is a key point in terms of evaluating the 104th Congress. With the lack of real legislation aimed at influencing the implementation of the Agreed Framework, Congress did not have a great deal of influence with regard to the Agreed Framework and its implementation.

Congress had to deal, of course, with appropriating money for the Agreed Framework; money for the encasing of the 8,000 fuel rods in North Korea; and money to support KEDO, especially money to support KEDO's supply of heavy oil to North Korea as provided for in the Agreed Framework. You had a cycle: Congressmen and committee members dealing with appropriations complained about the Agreed Framework, and there were initial cuts by appropriations committees from the amount requested by the Clinton Administration. The committees initially cut the request that came in; in the 1996 cycle, for example, both the House and the Senate Appropriations Committees reduced the Administration's request for KEDO from \$25 million to \$13 million. However, at the end of the legislative process in both years, Congress ended up granting the Administration the full amount of money it had requested, despite the complaints and despite the misgivings. The reason why Congress felt compelled to agree to the Administration's request is that Congress was not able to develop an alternative approach to the Agreed Framework, including any sort of comprehensive legislation.

Some ideas were discussed within the Congress in early 1995 for comprehensive legislation in terms of how we would deal with North Korea in the context of the Agreed Framework. There was a discussion, I have been told, of possibly trying to legislate something called a "North Korean Relations Act." But nothing ever happened. I think the reason nothing happened was that this Congress had a very pronounced domestic agenda. The time, resources, and commitment needed for comprehensive legislation related to U.S.–North Korean relations never developed because of the domestic priorities of this Congress. So in the end, Members and committees might have had misgivings and might have had complaints, but they went along with the Administration. That process may well continue into the 105th Congress.

I would also add that the new Congress that will come into office in January 1997 and the Congress that will come into office in January 1999 may well have more influence on the

success or failure of U.S. policy toward North Korea. The new Congress and the one after it may well influence the course of events not only by what they do, but also by what they decide not to do in the future. There are three reasons why I make this observation.

Number one is the money factor. The cost of the Agreed Framework, especially the light water reactor project, is going up: \$4.5 billion, the estimate of two years ago, is now in the ash can. The figures being bantered about are \$5.5 billion to \$6 billion; if this agreement is fully implemented, you are talking about a \$10 billion commitment, in my estimate. It appears to me that the South Korean body politic is under increasing strain with regard to its willingness to bear the financial burden of the light water reactor project because of the refusal of North Korea to negotiate with South Korea and because of these provocations that we have seen: the submarine infiltration and what appears to have been an assassination carried out by North Korea of a South Korean diplomat in Vladivostok. If the costs go up—if, for example, North Korea comes in with new demands for add-on projects like the electric power grid—those strains on the South Korean body politic are likely to increase.

At some point, the Seoul government may draw the line on new spending or increased spending beyond a certain level in terms of its commitment to support the light water reactor project. If Seoul does that, the Clinton Administration would be faced with the dilemma of having to approach the U.S. Congress for a lot of money for direct U.S. financing of the light water reactor project. At the time the Agreed Framework was signed, Ambassador Gallucci promised that this would not happen, that the U.S. commitment was related only to oil and encasing of fuel rods, and that other governments would take care of the light water reactor project. But there is the letter from President Clinton to Kim Jong-il. So if the Administration has to come to Congress for a lot of money, Congress is going to have to make a fundamental choice in terms of whether to support this agreement in a more fundamental way or seek an alternative policy.

Reason number two is the requirement of the Atomic Energy Act that the United States must negotiate an agreement with any country that is going to be a recipient of U.S. nuclear technology or components. Thus, as the project for providing light water reactors to North Korea progresses with U.S. technology involved in the South Korean style of nuclear reactors, the Administration is going to have to make the decision as to whether or when to try to negotiate a bilateral nuclear agreement with North Korea. That decision may well come within the confines of the 105th Congress.

Such an agreement, under the Atomic Energy Act, has to be submitted to Congress. My colleague at the Congressional Research Service, Zack Davis, who is our nuclear expert, predicts that if the Administration negotiates such an agreement, it will submit the agreement to Congress with a waiver asking Congress to waive or disregard the stringent non-proliferation requirements that the Act states must be attached to any agreement the United States negotiates with another government. Once Congress receives such an agreement, it would have 30 days to act on it. Its choices are to adopt a joint resolution of disapproval, which would kill the Agreed Framework for all practical purposes, or to consent to a bilateral nuclear agreement by taking no action within the 30-day period. If the Administration proceeds, this issue is going to come before a future Congress.

Reason number three: By the end of the 105th Congress, or certainly during the Congress that comes into office in January of 1999, the first of North Korea's key obligations under the

Agreed Framework may be on the horizon: the obligation to allow special inspections by the International Atomic Energy Agency (IAEA) when the time comes for nuclear components to be delivered to North Korea in conjunction with the construction of the light water reactors inside of North Korea. Ambassador Gallucci has claimed that North Korea accepts the obligation at this point to allow the International Atomic Energy Agency to conduct the special inspections that it first requested of North Korea in early 1993 but which North Korea, both at that time and later on, rejected.

However, the language of the Agreed Framework is more ambivalent on this score. There is no evidence that North Korea is willing to accept special inspection by the International Atomic Energy Agency. In fact, the available evidence points to the opposite conclusion. If the implementation of this project reaches the point, in late 1999 or in the year 2000, when it is time to provide these nuclear components to North Korea, we may be back into a crisis with North Korea. If that prospect begins to emerge, the issue before Congress is whether to consider legislation that would link special inspections more specifically to U.S. obligations under the Agreed Framework.

There is a danger to the existing ambivalence on this issue. The danger is that when this issue is triggered back into the implementation process, North Korea again would resist special inspections and would threaten to restart its nuclear program if we pressed them on special inspections. If we reach that point, at the end of 1999 or in the year 2000, it seems to me that this reopens the prospect that the Administration would respond by again seeking a formula to bypass special inspections in order to proceed with implementation of the light water reactor project.

I know that Administration officials talk tough right now about special inspections, but I also know that they continue to be influenced by the North Korean intimidation tactics of 1993 and 1994 when they argue that if we press them at all, these maniacs will blow the whole place up. That is what I call the Branch Davidian theory of the North Korean leadership that has been described on many occasions by Administration officials, especially during 1996. So the possibility of a crisis over special inspections and a real agonizing within the Administration over what to do about it arises. If that happens, Congress is going to be faced with some difficult dilemmas.

Why are these issues important? Remember, this is about the rationale for the Agreed Framework. The Administration decided to put back in time some of these difficult issues and to make the implementation of the Agreed Framework a long-term process that would take at least seven years, based on a couple of assumptions. If you look back to 1994, and if you look back at the paper trail of what they said, Administration officials laid out an assumption that before difficult issues like special inspections would resurface, North Korea would either reform or collapse; in either case, these difficult issues could be dealt with and would not be the same kind of problem that they were in 1993 and 1994.

Ambassador Gallucci talked about confidence building with North Korea: that we would be able to persuade them to begin real reform by showing them our goodwill and implementing the Agreed Framework, and through other actions on the part of the United States to improve relations with North Korea. After two years of this, however, it seems to me that we have to draw the conclusion that North Korea is unwilling to engage in fundamental, real reforms just because the United States so far has shown goodwill in implementing the Agreed Framework

and offering them food aid and other U.S. benefits. Moreover, North Korea has not collapsed, and the regime in Pyongyang is not likely to collapse in the near future.

I did a paper in August 1996 on the collapse theory and its influence on U.S. policy. I took a close look at the paper trail with regard to the collapse theory, how it was used in 1994 by the Administration to justify the Agreed Framework, and how it has been used by the Administration in some very different ways in 1996. In my view, the collapse theory is of doubtful credibility. It lacks hard evidence, and it is just too similar to the earlier predictions of 1992 and 1993 that the Saddam Hussein regime in Iraq would face near-term collapse and the Fidel Castro regime in Cuba would face near-term collapse. Now I read in the newspapers that there are severe food shortages in Iraq and extensive malnutrition, especially among children, but Saddam Hussein is still in power; the collapse theory regarding Iraq has faded into history.

I see some signs already that the collapse theory related to North Korea is not being voiced with the intensity with which it was voiced earlier in 1996. Thus, if the collapse theory turns out not to be true, and if North Korea is unwilling to reform just on the basis of our expressions of goodwill, then at some point in the implementation of the Agreed Framework, rocky issues of 1993 and 1994 are bound to resurface. The 105th Congress and the one after that will have an opportunity to exercise greater influence on how we deal with these rocky issues if they do resurface.

For Congress to exercise that kind of influence will be difficult. With its fragmented nature, multitude of committees, and 535 members, Congress often has real difficulty in doing this. One example that Jim Przystup was involved in where Congress was able to develop enough unity to influence policy was the Taiwan Relations Act; but, again, that is more the exception than the rule.

DARYL PLUNK: Chuck called on critics of the Agreed Framework process to come up with alternatives; that's a fair challenge. I think a reasonable response at this time would be that the Agreed Framework process, complex as it is and as far off course as it is, is not an easy process to fix. Monday morning quarterbacking is easy, but I have maintained from the beginning that the agreement with North Korea should have been a very different deal. The United States should have held firm on a number of issues, including the "nuclear past." I know what the Administration's answer to that is: It claims such an approach would have risked war, and that it made the judgment not to take what some have called a "hard-line" position. I would have called it a very principled position.

Larry's remarks reminded me that the Administration handed the North Koreans the insanity defense in reaction to the various threatening statements Pyongyang made during the 1993–1994 negotiations. It seemed to me the Administration decided, "These guys are crazy; let's not push them into a corner because they're liable to lash out." It was an insanity defense. I remember the day when the late Les Aspin as Secretary of Defense, appearing on *Meet the Press*, ruled out any use of military action against Pyongyang. We should not specifically have ruled in such action against North Korea, but I thought it was appalling that the Secretary of Defense, in the face of North Korean war threats, would rule out U.S. action. (David Kay, formerly of the IAEA, came up with the insanity defense line, by the way.)

There are major questions facing us; KEDO is forging ahead with its various preparations, but there are many questions regarding the future of KEDO and its funding. It is an extremely

unorthodox international agreement, one on which the General Accounting Office recently commented.

Chuck very eloquently and persuasively described the value of the nuclear freeze, but my perspective is a little different. I think the freeze is of questionable value. Again, we abandoned our position in 1994 that the North Koreans should live up to all of their NPT obligations, including special inspections regarding the so-called nuclear past. The fact is that we cannot say with any certainty that the nuclear program has been stopped. We know that the North Koreans have a certain amount of weapons-grade plutonium. The Administration has admitted publicly on several occasions that it may well already have developed a bomb or two. I think it could be worse than that: There could be facilities hidden that we know nothing about, perhaps even active re-processing facilities. The administration cannot refute this, so the freeze is a glass half-empty or half-full question, and thus of questionable value.

Under Section 3 of the agreement, the North promised to resume peace talks with the South. There has been zero progress, as we know, in that regard. Consider this statement: "The critical point is that without the restoration of minimal cooperation between North and South, the Agreed Framework cannot prosper. In time it will break down. The Framework can only succeed if there is a climate of civility and pragmatic cooperation between the North and South." This sounds like a statement that might have been issued over the last month or so in the wake of the submarine incursion. In fact, this was a statement made by Chuck's predecessor, Tom Hubbard, sitting right here on January 31, 1995.

As Larry mentioned, given that we are two years into this process, when do we decide that the Agreed Framework process must be adjusted, stopped, paused, killed, or simply continued? Again, the Administration is on record as saying this process will break down if there is not a climate of civility and pragmatic cooperation between North and South Korea. I would conclude today that relations between North and South Korea are as bad as they have been in many, many years.

I agree that it appears there was a feeling within the Administration, at the time of the signing of the agreement, that it was perhaps best to kick this can down the road. Among many in the Administration, the Agreed Framework was viewed as a holding pattern that was useful because the North Korean regime would soon collapse. There were some who privately were saying at that time that they did not expect the North Korean regime to be in power in two years or so; that obviously has not turned out to be the case.

We should recall that the signing of that agreement came just about ten days before an election. There may have been some political pressure to turn the North Korean crisis into a success story in time for the 1994 congressional elections. No doubt there are many in the Administration who believe the claim that this gradual cooperation among technicians and bureaucrats who will, in theory, build two light water reactors will form some sort of bridge to the future (to use a worn-out phrase) that will promote confidence building and tension reduction between the North and South. I simply don't buy that. I don't think reactor construction projects that are, by definition, very limited in their scope and nonpolitical will lead the North and South to peace and confidence building.

Over the past two years, we have witnessed an appalling display of bad behavior on the part of the North Koreans that time after time has violated both the spirit and the letter of the Agreed Framework process. It started just weeks after the signing of the agreement with the

shooting down of an American helicopter by the North Koreans. That helicopter had strayed into their territory, but you may recall that Tom Hubbard went through some very excruciating negotiations to get our surviving crew member out. It was not a good start to the process. Then the North formally withdrew from the Military Armistice Commission and has systematically undermined that mechanism.

The submarine incident was not the first armed incursion we have seen in the last two years. In October 1995, there was a limited armed incursion; two North Korean guerrillas wounded a number of South Koreans before one was killed and the other was captured. We all recall the armed incursion in April 1996 by several hundred North Korean soldiers into the DMZ.

And then there was an incident that has not been publicized by the Administration, but that happened to turn up in the *Federal Register* back in June, which required the Administration to strengthen existing United States sanctions against North Korea. Little is known about this stealth action by the Administration, but I'm told it involves the discovery of North Korean missile technology transfers to Iraq. That story was, as far as I know, never picked up by the press and has been handled very quietly by the Clinton Administration.

In September 1996, of course, we had the very bloody submarine incursion into South Korea. Along with three dozen North and South Korean soldiers, several innocent civilians have been killed by the North Koreans as well. The South, of course, is enraged by this act of war, which is ongoing. There is still one guerrilla loose in the South.

On top of this, Seoul was enraged by Washington's at least initially mild reaction to the hostility. In public, Seoul continues to express its full support for Washington's policies, but any of us who have any significant contact with South Korean officials or visit South Korea very often know that this simply is not the case—particularly right now. Officials at senior levels privately tell their American friends that they feel America's policies are seriously flawed. The Kim administration now is talking openly about the need for sticks to be used as well as carrots and suggesting that the United States is not following this line. President Kim and his national security officials are saying repeatedly that the North must "pay a price" for its bad behavior, and some privately call the current policy outright appeasement.

The Agreed Framework, many in Seoul will stress (and I agree with this), should not be about the nuclear program alone. It must be about reducing tensions on the Korean Peninsula. Two years after the signing, we have not seen that happen; tensions, in fact, have increased. I note that Chuck mentioned the Agreed Framework has decreased the threat to the South; I would like to hear more of his thoughts on that point. Seoul's private criticisms are strong indeed. It has, for now, withdrawn its participation in KEDO activities and refuses to send its technicians to the North, understandably saying it has security concerns.

It seems to me that South Korean officials are pondering whether to move forward in this process at all. There is an election coming up in South Korea, and public opinion is quite clear on this issue: The Korean public is in no mood to be flexible and understanding toward North Korea. So we seem to be on something of a train wreck track, with the United States prepared to move forward with further engagement with North Korea while the South Koreans, on the other hand, have zero tolerance for those sorts of ideas. In fact, they now have preconditions: an apology from North Korea (which it seems to me is not likely) and the resumption of North-South talks before participation in this Agreed Framework process goes anywhere. I am not sure how we resolve that difference between Washington and Seoul.

Then there is Congress. I think Congress will take a stronger position and a stronger role in this matter, although it is difficult for it to get organized. But I would remind all of us here of what Senator John McCain said in early 1995 while questioning Defense Secretary William Perry during a committee hearing. In effect, he said, "Look, you did this deal, and it's not a good deal. It will eventually wobble and begin to collapse on its own. But if the Republicans move now to do anything to the deal, we will get the blame for whatever tensions result. We are going to wait until the agreement begins to crumble under its own weight; then we will act, and you will get the appropriate blame." This may be the strategy that we will see from leaders in the Congress who are interested in Korean affairs.

Let me mention briefly a new report by the General Accounting Office, an agency that reviews budgetary matters for the Congress. It issued this report last month at the request of Senator Frank Murkowski, who is one of the key Korea-watchers in Congress. The GAO concluded that the Agreed Framework "is not legally enforceable" under either U.S. or international law. It seems to me that the Administration did this quite deliberately because it does not have to be submitted to the Senate for ratification. The GAO calls it a "non-binding political agreement." I'm sure that term does not make Pyongyang very happy, but that is what they called it.

Such an agreement did not require congressional approval. However, the Congress has been pushed and bullied into appropriating tens of millions of dollars to fund the agreement. I would be interested to know from Chuck how much he thinks we're going to need to spend over the next two to three years. The GAO also concluded that the Framework "can have the effect of pressuring the Congress to appropriate monies to implement an agreement with which it had little involvement." I would have written "no involvement." The GAO raises the issue of expensive nuclear liability insurance that must be purchased at some point. The North is broke; I don't imagine it is going to purchase it, and the Administration has not said it will pay for it.

Another bridge to cross is the power grid issue that Larry mentioned. North Korea does not have a power grid that can handle these two nuclear reactors, and the GAO estimates it is going to cost \$750 million. Who will pay for that?

To conclude, as we consider the Agreed Framework's two-year mark, we are faced with strained U.S.–ROK relations, extremely high tensions between the North and South, and the Korean peace talks process squarely in the deep freeze. Meanwhile, the U.S. continues to spend around \$2.5 billion a year to counter the North Korean military threat, a program that places 37,000 American soldiers squarely in harm's way on the Korean Peninsula. With all the talk of Bosnia and the Middle East and Russian court intrigue, we must not forget that Korea is the only place where, in the event of hostilities, a great many Americans will begin to die immediately. This, together with the questions raised by the GAO report, tempts me to wonder whether the accord will ever see its third birthday.