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AFTER BROKEN PROMISES, TIME TO CHANGE DIRECTION ON NORTH KOREA

INTRODUCTION

Last month, the Clinton Administration's latest attempt to coax communist North Korea into peace talks with democratic South Korea failed. The North, mired in a staggering economic crisis, demanded commitments of massive food aid from the United States and South Korea as a precondition to negotiations. This should not have come as a surprise to Washington. The Pyongyang regime consistently has refused to engage Seoul in political dialogue, violating a promise it made in writing two-and-one-half years ago when the United States and North Korea signed an agreement to seek peace and reconciliation on the Korean Peninsula. The U.S.–North Korean “Agreed Framework” of October 1994 was hailed by the Clinton Administration as a historic opportunity to end the state of war that has smoldered on the peninsula since the 1953 Korean War cease-fire.

Instead, relations between Seoul and Pyongyang are as strained as ever, the North's economy is in free-fall, and many of North Korea's citizens are starving. The Administration's policies, which purport to seek North–South reconciliation and North Korean economic reform and political openness, are having the opposite impact on both counts. Concerns are mounting that the North's desperation could explode into war, or that political instability there could lead to a chaotic and violent collapse of the regime.

The Clinton Administration's aim of guiding the North into a “soft landing” appears improbable, at best. Pyongyang consistently has refused to open and reform its economy, which is the precondition for that optimistic outcome. What needs to be done now is to avoid a “crash landing” that could have immediate and negative economic and political implications both for the United States and for three key regional players: South Korea, Japan, and China.

For the past two-and-one-half years, the Clinton Administration has attempted to coax Pyongyang into a more conciliatory stance by offering to build a nuclear power infrastructure in the North to bolster its economy. It has become clear that this project, which will take ten years or more to complete, has not changed Pyongyang's hard-line policies toward South Korea. Washington, in close consultation with Seoul, should craft a new set of economic incentives aimed at eliciting positive North Korean responses. The North is in dire straits, and Washington and its allies should use their considerable leverage to press Pyongyang for an immediate reduction in tensions.

THE IMPOTENT U.S.—NORTH KOREA NUCLEAR DEAL

Soon after beginning his first term in 1993, President Bill Clinton had to grapple with North Korea's renegade nuclear weapons program. After many months of tedious negotiations with the North, the first-ever U.S.—North Korea political agreement was signed in Geneva in October 1994. It offered benefits to the North, including a \$50 million per year fuel oil supply, construction of two nuclear reactors valued at about \$5 billion, and the prospect of improved trade and political ties with Washington. Together with a consortium of about a dozen other countries, the United States is raising funds to support this process, although Seoul has pledged to pay most of the cost. In return, the North agreed to "freeze" its current nuclear program, preventing it from processing any more weapons-grade plutonium than it already has.

The Clinton Administration has proclaimed that the nuclear threat is in check, but there are noteworthy caveats. Washington backed down on its earlier demand that the North provide an immediate, full accounting of the plutonium it had produced in the past. Inspection of its fuel storage sites, which the North is obliged to allow under other international treaty obligations, has been delayed for years to come. As a result, the North already may have assembled nuclear bombs secretly, using previously amassed enriched fuel.

Last month, the highest-ranking North Korean official ever to flee to the South addressed this critical issue upon his arrival in Seoul. The defector, Hwang Chang Yop, a Secretary of the North's Communist Party and long-time member of the ruling elite's inner circle, declared that the North does indeed possess nuclear weapons. Some American journalists—prematurely and without sufficient information—have questioned Hwang's credibility and motivations. The answers no doubt will become clear once Hwang's debriefings by South Korean and U.S. intelligence analysts are completed in the coming weeks.

Meanwhile, in a move that may reflect a schism between the Department of State and the Department of Defense, the Pentagon recently acknowledged that Hwang may be right. A Department of Defense Asian analyst stated in *The Washington Post* on May 4, 1997, that "It is possible Pyongyang has a few nuclear warheads for its missiles. A nuclear strike on a city, post, airfield or other facility in South Korea would kill millions..."¹

The nuclear deal offered limited yet much-needed economic support to the North while allowing it to keep its nuclear card for years to come. Pyongyang is obliged to allow thorough international inspections of its enriched fuel storage sites just before completion of the two reactors, but the construction project may take ten years or more to complete.

1 Lonnie Henley, "Korean Cataclysm," *The Washington Post*, May 4, 1997, p. C1.

Many question whether the faltering Pyongyang regime will be around then to operate the planned reactors.

BROKEN PROMISES

Under the U.S.–North Korea deal, Pyongyang promised to engage in dialogue with the South and make progress in reducing tensions. The North has refused to cooperate, however. Last month, the Clinton Administration believed it had achieved a breakthrough when North Korean representatives agreed to sit down with U.S. and South Korean counterparts in New York City. The talks quickly broke down when the North demanded massive food aid in exchange for participating in substantive dialogue. South Korean officials report that Pyongyang asked for 1.5 million tons of grain, a stockpile that would cost as much as \$600 million. A U.S. official told The Heritage Foundation following this meeting that “The North wanted to be paid to talk, and we can’t accept that.”

The North is stonewalling on the peace process—a process it has committed itself to observe—but is still being paid. It receives \$50 million in fuel shipments per year from the U.S.-led reactor consortium. The U.S. Congress has appropriated about \$50 million for this aid program so far and will be asked by the Clinton Administration to provide about \$25 million more this year. In response to the North’s food shortage, the United States has granted an additional \$33.4 million in emergency humanitarian assistance over the past 18 months. Seoul has shipped nearly \$250 million in food aid to the North since 1995.

Despite these good-faith gestures from the United States and South Korea, Pyongyang has made no progress toward reducing tensions on the Korean Peninsula. Deputy Secretary of Defense Kurt Campbell recently confessed his concern that the North may be willing to use its “war option.”² Plainly, current U.S. policy toward North Korea is not working.

REFRAME THE AGREED FRAMEWORK

The North poses the world’s most serious and immediate threat to U.S. interests. Pyongyang’s million-man army maintains its forward deployment. The world’s largest array of artillery tubes is massed along the border with the South and pointed at the capital city of Seoul. The North has a growing missile arsenal that is capable of striking all parts of South Korea. Its large stockpiles of chemical weapons are stored near the front and are of grave concern to the U.S. commanders who lead the 37,000 U.S. soldiers stationed in the South.

The economic, political, and security stakes of the United States in Northeast Asia are very high. Should the North attempt to make good on its infamous threat to turn the South into a “sea of flames,” the entire region would be destabilized. Because the Agreed Framework process has failed to ease tensions, current U.S. policy is failing to protect the core national security interests of the United States on the Korean Peninsula.

President Clinton’s policies have done little more than paper over the threat and entice Pyongyang to engage in talks with the United States by offering it a multibillion-dollar package of energy infrastructure construction along with pledges of limited U.S. aid and political ties. The United States and other countries are responding to the North’s

2 Bill Gertz, “North Korea could opt for war,” *The Washington Times*, April 24, 1997, p. A3.

economic crisis with food aid. For the first time, the North has been forced to admit its economic woes and appeal publicly for international support. Pyongyang is abstaining from the inter-Korean peace process in hopes of extracting maximum concessions from the United States and its allies.

This is a futile game. Massive aid to a state that poses a clear and present military threat is hardly an acceptable option. As the North continues its slide toward economic collapse, it can expect only token aid under current circumstances. The multibillion-dollar bonanza it has been promised—the nuclear reactors—will not materialize for years.

During talks with the North in 1993 and 1994, U.S. policymakers spoke of a “package deal” under which Pyongyang would reap substantial rewards for giving up its nuclear ambitions and pursuing a lasting peace on the Korean Peninsula. At that time, analysts at The Heritage Foundation supported this approach and called for a generous trade and aid package from the United States, South Korea, Japan, and other concerned parties in return for Pyongyang’s cooperation. Instead, the Clinton Administration offered a power plant construction scheme.

What the North desperately needs now is economic assistance and reform, not the prospect of enhanced electric power capabilities ten years in the future. What the United States urgently needs now is an unambiguous end to the North’s nuclear threat and a rapid reduction in tensions on the Korean Peninsula.

The structure of the Geneva deal should be changed to address these critical needs. Even though this approach will require careful diplomacy, there are no legal barriers to such action. In an October 1996 report to Congress, the U.S. General Accounting Office (GAO) found that the Agreed Framework is not legally enforceable under U.S. or international law. Instead, according to the GAO, it is a “non-binding political agreement.” The study quotes State Department officials as admitting that the deal was structured in this manner because the “United States wanted the flexibility to respond to North Korea’s policies and actions....” Now is the time to respond.

The Clinton Administration should take the following steps:

- **In concert with Seoul and Tokyo, begin discussion of a substantial package of trade and aid offers to the North.** A significant portion of the billions of dollars pledged for the decade-long reactor construction project should be used now as leverage in negotiating with the North.
- **In return for an offer of a new trade and aid package, call on the North to engage in serious, high-level peace talks with Seoul.** The baseline for those talks should be the Basic Agreements ratified by the North and South Korean governments in 1992. Virtually ignored by the Clinton Administration, these pacts were negotiated by the prime ministers of each side and outline specific and practical steps toward easing political and military tensions, including an expansion of North–South trade, citizen exchanges, a pullback of troops from both sides of the border, and phased reductions of armaments and troops. Pyongyang also should be pressured to initiate market-oriented reforms, starting with its agricultural sector, the source of the current food crisis; and Washington, Seoul, and their concerned allies should develop guidelines that link the delivery of aid and other benefits to Pyongyang’s cooperation in this process.

- **Appoint a senior, seasoned U.S. negotiator as a special presidential envoy to oversee these policy adjustments and communicate with the Pyongyang regime at high levels.** The United States will have to move decisively to sell this new arrangement to Pyongyang. A senior envoy must convince the North Korean leadership that this package deal serves the mutual interests of all concerned countries and that U.S. resolve to end the threat to peace posed by Pyongyang's military machine is solid.

CONCLUSION

Now that the Cold War has ended, North Korea no longer has China and the Soviet Union standing ready to support its military aggression. Nonetheless, even as its economy crumbles, the North poses a daily threat to U.S. security. It is past time for the United States to bring serious pressure to bear on Pyongyang in the interests of substantive and rapid progress toward peace and stability on the Korean Peninsula.

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