



Background

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THE CLINTON NUCLEAR DEAL WITH PYONGYANG: ROAD MAP TO PROGRESS OR DEAD END STREET?

"This U.S.-North Korean agreement will help to achieve a long-standing and vital American objective: an end to the threat of nuclear proliferation on the Korean peninsula."

—President Bill Clinton¹

"The new accord...outlines an elaborate timetable for steps by each side.... But American officials acknowledge that the agreement...will require enormous patience and perseverance....[T]hey concede that it poses a risk for much of the next decade that North Korea could change its mind, cast aside the accord and have the basic fuel in hand to produce nuclear weapons."

—The New York Times²

"The history of dialogue between the two Koreas abounds with cases in which North Korea has attempted to pursue this particular approach.... The North Korean choice of a 'package deal' approach usually had more to do with its desire to delay consummation of agreements or their implementation."

—Former senior South Korean negotiator Lee Dong Bok³

"Ten years from now, we'll know whether we did the right thing."

—Anonymous U.S. government official⁴

1 White House Press Conference, October 18, 1994.

2 Michael R. Gordon, "U.S.-North Korea Accord Has a 10 Year Timetable," *The New York Times*, October 21, 1994, p. A8.

3 Comments from Lee Dong Bok, "Negotiating with North Korea," paper delivered at the American Enterprise Institute, Washington, D.C., August 15, 1994, p. 11.

4 Jeffrey R. Smith, "U.S. Accord with North Korea May Open Country to Change," *The Washington Post*, October 23, 1994, p. A36.

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INTRODUCTION

After 17 months of tumultuous negotiations over the Pyongyang government's nuclear program, the United States and North Korea signed a detailed agreement in Geneva on October 21. The pact is a highly complex, three-staged, multilateral arrangement whose terms will not be fulfilled for many years.

For the most part, the deal appears "front loaded" in favor of Pyongyang. A consortium of nations, led by the United States, is responsible for constructing a modern nuclear power infrastructure for the well-armed, repressive communist state. The same consortium will bolster the North's faltering economy by easing its immediate energy burdens with large quantities of free fuel oil. In an October 20 letter to North Korean strongman Kim Jong Il, moreover, President Clinton vastly expanded America's commitments under the formal agreement. The U.S., said Clinton, would finance the fuel shipments and the reactors if the consortium fails to do so. The total value of the U.S. pledge is estimated conservatively at more than \$4 billion.

In addition to leading the international energy assistance consortium, Washington has pledged to ease its long-standing trade embargo and move toward first-ever diplomatic relations with the North. These concessions provide Pyongyang a degree of political recognition by the U.S. and its allies that it long has sought. Left unaddressed is the immediate threat posed by the North's formidable conventional military force, which includes a large stockpile of chemical and biological weapons and missiles capable of reaching South Korea and Japan. About 37,000 U.S. troops are stationed in South Korea to counter the North's military threat.

The Clinton Administration's aim in all of this is, first, to freeze the North Korean nuclear program and, ultimately, to assess the North's past efforts to build nuclear bombs and preclude any future weapons capabilities. U.S. intelligence and defense officials estimate that the North has enough enriched fuel to produce nuclear weapons. Secretary of Defense William Perry has stated, "it is possible they could make one or even two devices, perhaps even nuclear bombs."⁵ Even assuming smooth implementation of the October 21 agreement, however, its goals cannot possibly be fulfilled completely for at least a decade.

If events proceed smoothly and according to the Clinton Administration's elaborate script, important American interests would be served. The security threat that the North Korean nuclear program poses to the region would be extinguished. New avenues such as increased economic, political, and social contacts would be opened for inter-Korean tension reduction. Worries that Pyongyang might sell nuclear technology to other rogue states would cease. Pyongyang would gradually open its sealed society to outside contacts and influences, improving chances for reforms of its Stalinist political and economic systems.

Yet North Korea's past behavior suggests that Americans should regard this agreement as tentative at best. Its complex requirements demand a large measure of good faith and

5 Testimony before the U.S. Senate Armed Services Committee, February 2, 1994.

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reciprocity on the part of Pyongyang. The North, however, has a long and consistent track record of reneging on its promises. There is ample reason to doubt its bona fides and commitment to the Geneva agreement. Likewise, there is ample reason to suspect that the Geneva agreement was signed by Pyongyang simply to buy time to retain its nuclear capabilities and to gain unilateral benefits from the West.

Secretary of State Warren Christopher will visit Seoul November 8-10. His trip is a timely opportunity to strengthen America's weak position in the October agreement by taking steps aimed at preventing any North Korean stalling or backsliding. While there, Secretary Christopher should:

- ✓ **Announce** Washington's intention to appoint a special envoy to deal directly with the Pyongyang regime to assure full North Korean compliance with the October 21 agreement.
- ✓ **Call** on Pyongyang to resume substantive, high-level talks with the South immediately.
- ✓ **Make** it clear that the U.S. will consult closely with Seoul on the implementation of all aspects of the October 21 agreement to avoid any misunderstanding with Washington's chief ally in this matter.
- ✓ **Press** China to use its leverage with Pyongyang to comply with the October 21 agreement.
- ✓ **Enlist** Japan and Russia to tell Pyongyang that they expect strict and timely implementation of the North's obligations under the agreement.

At the first signs of North Korean stalling, the U.S. should be prepared to:

- ✓ **Apply** economic pressure on the North by resuming the U.S. embargo and encourage similar steps by China, Japan, and Russia — Pyongyang's major trading partners.
- ✓ **Move** to broaden economic sanctions at the United Nations Security Council.
- ✓ **Take** appropriate steps to bolster the current U.S.-South Korean military capability.
- ✓ **Be prepared** to prevent any attempt by the North to spread nuclear or missile technology to other rogue states.

THE OCTOBER 21 DEAL

Given that the U.S. has never recognized the Pyongyang regime and, until a few years ago, refused even casual contact with its officials, the benefits offered by Washington are generous. Under the October 21 accord, the Clinton Administration will:

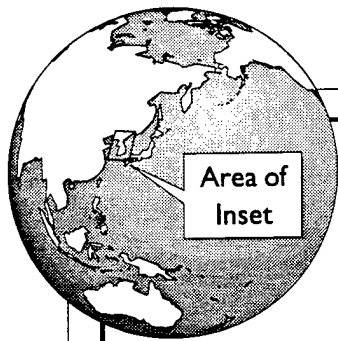
- ✓ **Ease** within three months the current embargo imposed by Washington on trade with the North.

- ✓ **Exchange** "liaison offices" with Pyongyang and eventually move to full diplomatic relations.
- ✓ **Provide** a "negative security assurance," pledging that Washington will not threaten Pyongyang with nuclear weapons or use nuclear weapons against the North.
- ✓ **Form** a consortium with Seoul, Tokyo, and other allies to carry out construction in North Korea of two light water nuclear reactors costing an estimated \$4 billion. These new reactors would be much less capable of producing weapons-grade fuel than the North's current graphite reactors. Construction would be financed largely by South Korea and Japan, according to Clinton Administration statements. Optimistic estimates of the time needed for completion of these reactors range from eight to ten years.
- ✓ **Ameliorate** the North's extreme energy shortage with massive supplies of free fuel oil. This aid obligation would be shouldered primarily by the consortium, according to the U.S. State Department.
- ✓ **Use** U.S. taxpayers' dollars, if necessary, to fund the multi-billion dollar reactor and fuel aid projects. In a highly unusual letter dated October 20, President Clinton pledged to pick up the full tab if the terms of the October 21 agreement are "not completed for reasons beyond the control of the DPRK [North Korea]." He added that this would be "subject to the approval of the U.S. Congress."

It appears that the Administration delayed revealing the contents of the letter to avoid press, public, and congressional criticism. In extensive press conferences on October 18, 19, and 25, senior Administration officials repeatedly stressed that Japan and South Korea would fund the fuel and reactor projects. The Clinton letter was not released to the press until October 26.

In return, North Korea pledges to take a series of steps over a period of years. In **phase one**, it has promised that it will immediately:

- ✓ **Refrain** from reprocessing into weapons-grade fuel the controversial 8,000 fuel rods it unloaded from its only operating reactor in May.
- ✓ **Refrain** from refueling its 5 megawatt reactor at the Yongbyon complex north of Pyongyang.
- ✓ **"Freeze,"** or seal, its Yongbyon fuel reprocessing facility where international inspectors suspect the North has produced an unknown quantity of weapons-grade nuclear material in the past.
- ✓ **Cease** construction of two unfinished nuclear reactors, one at the Yongbyon complex and the other at Taechong in the nation's northwestern region.
- ✓ **Resume** stalled negotiations with South Korea, although no time frame for this is specified in the agreement.



Graphic by Thomas J. Timmons. Main map courtesy of the Defense Mapping Agency.



Nuclear Sites to be Shut Down Under Clinton's Deal with North Korea

In **phase two**, the North has agreed to other actions that are linked to the construction of light water reactors. Once "significant nuclear components begin to be delivered for the first reactor,"⁶ Pyongyang will:

- ✓ **Begin** to ship its 8,000 stored fuel rods out of the country. This is the understanding of the Clinton Administration. Current estimates suggest that this phase would not begin for at least five years and that completion of the rod shipment could take around three years. In other words, the North would not relinquish the controversial rods for at least eight years.
- ✓ **Allow** for "special inspections" by the International Atomic Energy Agency (IAEA), an issue that has been a central point of contention in the nuclear controversy. Once again, the text of the agreement does not specifically mention this requirement. Rather, the North pledges only to "come into full compliance" with IAEA safeguards. Although obliged to submit to special inspections under the terms of the Nuclear Non-Proliferation Treaty, to which it is a signatory, Pyongyang defiantly has refused even to recognize the IAEA's right to such scrutiny. Of interest to the IAEA are two waste sites that it suspects will reveal the extent of the North's past fuel enrichment activities. According to Clinton Administration statements, the North would not be required to allow special inspections for at least five years.

Phase three begins as "significant nuclear components are delivered for the second reactor and will be completed by the time the second reactor is completed." At that time, which will be perhaps ten years from now, the North only pledges it will:

- ✓ **Dismantle** all existing nuclear facilities, including a finished reactor, two other reactors currently under construction, and the fuel reprocessing facility where it has been producing weapons-grade nuclear material.

A LONG RECORD OF NORTH KOREAN BAD FAITH

One need only consider the dismal record of negotiations between North and South Korea to recognize that Pyongyang is not known for living up to its word. According to South Korean President Kim Young Sam, "We have spoken with North Korea more than 400 times. It didn't get us anywhere. They are not sincere." Adding emphasis, he noted, "[W]e know North Korea better than anyone else."⁷

The varied experiences of Seoul, Washington, and the IAEA in bargaining with the North are telling.

⁶ For a detailed description of the agreement by the Clinton Administration, see the transcript of remarks by Assistant Secretary of State Robert Gallucci made at the USIA Foreign Press Center, Washington, D.C., October 19, 1994.

⁷ James Sterngold, "South Korean President Lashes Out at U.S.," *The New York Times*, October 8, 1994, p. 3.

North Korea Defies NPT and IAEA

Pyongyang signed the NPT in 1985, but for nearly a decade refused to allow the IAEA inspections required by the pact. The South, in the meantime, long has been a member in good standing. Under enormous global pressure, Pyongyang allowed regular inspections to begin early last year. When IAEA inspectors found evidence the North was lying about production of weapons-grade fuel, Pyongyang refused to allow for full-scope scrutiny of its facilities, including special inspections.⁸ In March 1993, North Korea threatened to pull out of the NPT altogether.

Since then, Pyongyang has played a shrewd game of diplomatic brinkmanship, threatening war and defying IAEA inspectors at carefully chosen intervals. All the while, the North was careful not to burn its bridges by breaking the "continuity of NPT safeguards." It then engaged the Clinton Administration in formal talks that led to the October 21 agreement. Now all of the North's obligations under the NPT have been reconfigured, and delayed, in a separate deal with the Clinton Administration.

American Overtures to Pyongyang Rebuffed

The U.S. has tried for some years to resolve the nuclear issue, making some important concessions and conciliatory offers to the North along the way. Current Washington policy finds its roots in initiatives that began at least six years ago.

Late in October 1988, the Reagan Administration announced unilateral concessions in hopes of encouraging North Korean NPT compliance and easing inter-Korean tensions. These concessions included:

- ✓ **Allowing** for first-ever working-level diplomatic contacts between American and North Korean diplomats.
- ✓ **Encouraging** U.S.-North Korean citizen exchanges.
- ✓ **Easing** slightly the U.S. trade sanctions against the North.

The Reagan Administration, and later the Bush Administration, made it clear that more substantial political and economic gestures would follow in the event of progress. In September 1991, the Bush Administration announced the elimination world-wide of tactical nuclear weapons, and in December, South Korean President Roh Tae Woo announced that there were no nuclear weapons anywhere in the Republic of Korea.

When the North and South ratified tension reduction agreements in early 1992, Washington decided to emphasize further the rewards that awaited North Korean good behavior. In February 1992, U.S. Undersecretary of State Arnold Kanter met with Kim Young Sun, the North Korean Worker Party's Secretary for Foreign Affairs—the first such high-level, formal meeting. This sort of political contact also had long been among the North's demands.

⁸ Regular inspections focus on sites which an NPT signatory declares are nuclear facilities. The IAEA also has the right under the treaty to demand special inspections of undeclared sites which it suspects may be nuclear facilities.

Despite these overtures, the North has resisted steps to reduce tensions with the South or to comply fully with its NPT obligations.

Pyongyang's Broken Pledges to Seoul

Over the years, Seoul has engaged Pyongyang in hundreds of meetings and bargaining sessions. However, the failure to produce any detailed agreements or tension reductions is notable. In early 1992, faced with conciliatory gestures from the U.S. and growing world concern over its NPT noncompliance, Pyongyang ratified two agreements with Seoul that were hailed as historic.

The Agreement on Reconciliation, Nonaggression and Exchanges and Cooperation called on both sides to:

- ✓ **Recognize** each other's political legitimacy.
- ✓ **Exchange** liaison offices.
- ✓ **Conclude** a nonaggression pact.
- ✓ **Open** their shared border to citizen, telecommunications, and media exchanges

The two sides subsequently made no progress in implementing any of these pledges.

The Joint Declaration for a Non-Nuclear Korea called on both sides to:

- ✓ **Refrain** from possessing, manufacturing, or using nuclear weapons.
- ✓ **Refrain** from possessing fuel reprocessing facilities.
- ✓ **Allow** for regular, joint inspection of each other's nuclear energy facilities.

Seoul and Pyongyang later deadlocked in talks aimed at fully implementing the agreement. Technically, however, the pact remains in effect, rendering the North in flagrant violation of the reprocessing clause. The South has no reprocessing facilities.

Over the past two years, Pyongyang has concluded both a nuclear safeguards agreement with the IAEA and a denuclearization agreement with Seoul. However, the North consistently has failed to implement these commitments. Now, the Clinton Administration has offered Pyongyang attractive benefits while granting the North up to ten years to fulfill nuclear commitments that it already has refused to honor on repeated occasions.

A SWEETHEART DEAL FOR PYONGYANG AND A LEMON FOR WASHINGTON?

Admiral C. Turner Joy, who spent many agonizing months negotiating the Korean War armistice, came away from that process with perceptive observations about dealing with the North that remain true today. In his book, *How Communists Negotiate*, Joy said Pyongyang's style is to turn inches into miles and to regard any concessions by its opponents as a sign of weakness. He emphasized that negotiations should be kept brief because success in crafting a protracted process also suggests to Pyongyang that it has the upper hand.⁹

The October 21 agreement indeed turns inches into miles. Its protracted and convoluted schedule could allow the North to delay implementation for years. The North could create delays at any number of signposts along the deal's timeline—for instance, by dragging its feet in examining plans for new reactor construction prepared by the international consortium, by finding fault with the consortium's designs, and then by calling for side negotiations to settle differences. Other areas in which the North could find opportunities for delay include the conventional fuel assistance scheme; trade and political talks with the U.S., South Korea, and Japan; and both regular and special IAEA inspections.

Clinton Administration officials argue that the agreement is carefully staged and that the North will receive no sensitive technology until it lives up to its nuclear program cessation and full-scope inspections pledges. Nevertheless, the North has won several important and immediate benefits under the new deal, including:

- ☞ **Energy assistance.** Pyongyang has admitted that it suffers from an energy crisis. The U.S. and its allies now promise to provide free petroleum, beginning with 50,000 metric tons the first year and ten times that amount by the second year.¹⁰
- ☞ **Easing of its economic isolation.** Just last June, the Clinton Administration was threatening the North with U.N. economic sanctions for its refusal to allow requisite IAEA inspections. Now Washington has pledged to ease its trade embargo against the North, and other nations, particularly Japan, will be prepared to follow suit. The North soon may be offered new resources, in the form of trade and aid, to prop up its failing economy.
- ☞ **Enhanced international and domestic political legitimacy.** Once isolated diplomatically from the West, the North now has concluded a formal political and economic agreement with Washington which will improve Pyongyang's tarnished international image while enabling the regime to convince its repressed citizens that it has global respect and clout. Washington and Tokyo also are prepared to move toward diplomatic recognition of North Korea.
- ☞ **Continuation of its nuclear leverage.** The world still cannot be sure whether the North has developed nuclear bombs. As demonstrated by the negotiations leading to the October 21 agreement, nuclear ambiguity strengthens Pyongyang's hands both diplomatically and militarily. The North will retain that leverage for years to come, along with the ability to capitalize on it in dealings with South Korea, Japan, the U.S., and other nations.
- ☞ **Viability of its weapons program.** For the coming decade or longer, North Korea's ability to build nuclear weapons will remain intact. Pyongyang can turn its back on its commitments at any time and re-engage its technical facilities and nuclear fuel supplies to build atomic bombs.

Another drawback to the agreement is the signal of weakness it sends to other troublesome nations. For many months, the Clinton Administration's rhetoric suggested that

9 Lee Dong Bok, "Negotiating with North Korea," pp. 3-4.

10 Gordon, "U.S.-North Korea Accord Has a 10 Year Timetable," p. A8.

verifiable abandonment by the North of its nuclear program was a prerequisite for economic and political concessions from the West. In Senate testimony last March, Undersecretary of State Lynn Davis said "the North must... implement its IAEA fullscope safeguards agreement, including special inspections and other measures needed to clear up past discrepancies.... As the DPRK takes these steps, we are prepared to reciprocate...."¹¹ Now a nation such as Iran might well be encouraged to weigh the possibility of securing benefits first in exchange for promises to make concessions later.

Finally, a troubling aspect of the deal is that it comes at a time when the North Korean leadership constellation is murky. After ruling the North with an iron fist for nearly five decades, the "Great Leader," Kim Il Sung, died on July 8. He had groomed his son, Kim Jong Il, for 20 years to take over the Pyongyang regime. But serious questions have been raised about the younger Kim's stability, his grasp of power, and even his health. He has not spoken in public since his father's death nearly four months ago, and has been seen in public only briefly. More important, his anticipated designation as president of North Korea and Communist Party chief is overdue.

It may very well be that the leadership in Pyongyang is unstable, and that someone other than Kim Jong Il may emerge in charge. There might even be a power struggle underway. In any case, the U.S.-North Korean agreement comes at the only time in the North's history when the nature of the power structure is not clearly evident. Assistant Secretary of State Robert Gallucci and North Korean Vice Foreign Minister Kang Sok Ju signed the Geneva deal. But does Kang have the full authority of the supreme power in Pyongyang? Will Kang, who is not known as a member of the inner ruling circle, have his handiwork discarded by whoever emerges as leader when the transition to the post-Kim Il Sung era is complete?

HOW TO STRENGTHEN THE DEAL

Time will tell whether Pyongyang intends to live up to its promises. Meanwhile, Washington should move swiftly to strengthen its hand in the agreement. To do this, Washington should take the following steps:

Appoint a respected and experienced American as a special envoy and dispatch him to Pyongyang. This should have been done months ago to short-circuit the North's delaying tactics. The Pyongyang regime is perhaps the world's most centralized government, and Washington should strive to deal directly with the small circle there that monopolizes virtually all power. If the new deal is to be implemented fully, Washington had better be prepared to open ties with the North's real authorities in Pyongyang, not its foreign policy bureaucrats in European capitals. It is important for the United States to familiarize itself with the post-Kim Il Sung leadership in order to avoid political miscalculations. The special envoy should make clear to Pyongyang that the U.S. will respond immediately to any North Korean delay tactics or backsliding.

11 Testimony before the U.S. Senate Foreign Relations Committee, March 3, 1994, pp. 4-5.

Press Pyongyang for immediate resumption of substantive, high-level talks with Seoul. Renewed negotiations are called for by the October 21 agreement, but no time frame for restarting talks was set. The U.S. should state that the North's willingness to resume a dialogue with the South immediately will be considered an important criterion by which Pyongyang's intentions will be judged.

Consult more closely with the Kim Young Sam government in Seoul. There is growing popular sentiment in South Korea that the North has outmaneuvered Washington, secured the delays it sought, and marginalized Seoul's input into the deal-making process. This could cause needless frictions in an alliance that has been very close and productive for many years.

Press China to use its considerable leverage in Pyongyang. Throughout the past year or so, Beijing has remained aloof, calling on the U.S. to "exhaust all diplomatic efforts." This clever strategy has forced Washington to do all the heavy lifting. China no longer can shirk its responsibility to pressure its allies in Pyongyang to implement the October 21 agreement.

Enlist Japan and Russia to call for strict implementation of the North's pledges.

These steps should be announced during Secretary of State Warren Christopher's November 8-10 visit to Seoul. At the first signs of North Korean backsliding, the Clinton Administration should be prepared to pressure Pyongyang. Specifically, Washington should be ready to:

Apply economic pressure on the North through a U.S.-led multilateral coalition.

While economic sanctions may have little practical effect, their political impact is important. The U.S. should go before the Security Council to seek international economic sanctions. Should this prove too politically costly or overly time-consuming, the U.S. should coordinate an economic sanctions strategy with China, Japan, South Korea, and Russia—Pyongyang's main trading partners.

Strengthen combined U.S.-South Korean military capabilities. The Clinton Administration recently has taken steps to bolster U.S. military strength in Korea. More could be done, such as sending additional U.S. ground attack and fighter-bomber aircraft to South Korea. An increased number of ground troops also should be deployed to bring the Second Infantry Division up to full combat strength.

Block any attempt by Pyongyang to profit from selling its missile or nuclear technology to rogue states. Working with its allies in the region, Washington should begin to mobilize the intelligence and military means to interdict any North Korean shipments of such materials.

CONCLUSION

Former Democratic Congressman Stephen Solarz is one of the few Americans who had the opportunity to meet with the late Kim Il Sung and other senior North Korean leaders on several occasions. Congressman Solarz has said that his experiences in Pyongyang suggest that North Korea's commitments "have about the same value as Tsarist war bonds."¹² The Clinton Administration and the American people should recognize that the October 21 agreement most likely will not protect the important U.S. interest that are at stake in the Korean nuclear standoff. Rather than simply sigh with relief in the wake of the Geneva accords, Washington should prepare to revisit this crisis.

Daryl M. Plunk
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12 Stephen Solarz, "Next of Kim," *The New Republic*, August 8, 1994, p. 23.