

# Turning Point in Korea

New Dangers and New Opportunities  
for the United States

*Report of the Task Force on U.S. Korea Policy*

*Selig S. Harrison, Chairman*

*Cosponsored by  
The Center for International Policy  
The Center for East Asian Studies, University of Chicago*

This report represents the consensus of the Task Force members. All members do not necessarily endorse all aspects of this report. Members participated in their personal capacities, not as representatives of their organizations.

# Foreword

This is the report of a Task Force on U.S. Korea Policy co-sponsored by the Center for International Policy and the Center for East Asian Studies of the University of Chicago.

The idea for the Task Force was first suggested in March, 2002, eight months before the North Korean nuclear crisis in October, by Selig S. Harrison, Director of the Asia Program at the Center for International Policy, and Bruce Cumings, Director of the Korea Program at the Center for East Asian Studies. Mr. Harrison, Chairman of the Task Force, prepared this report based on three meetings of the Task Force on November 20 and December 5, 2002 and January 9, 2003, in Washington and Chicago, followed by review and approval by the Task Force.

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# Overview: Key Recommendations

## RESOLVING THE NUCLEAR CRISIS

*"...The United States should offer to negotiate directly with North Korea on all issues of concern to both sides, including the dismantlement of its nuclear weapons capabilities, its food and energy needs, and the full normalization of political and economic relations, provided that North Korea pledge not to reprocess the irradiated fuel rods that have been monitored by IAEA inspectors under the 1994 Agreed Framework, and to permit the return of the recently-expelled inspectors to resume their monitoring."*

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*"By prearrangement, Secretary of States Colin Powell and Foreign Minister Paik Nam Soon would then make a joint declaration in Washington or Pyongyang. North Korea would pledge in this declaration to negotiate the verified dismantlement of all aspects of its nuclear capabilities. Both sides would pledge that they would not use force against the other during negotiations on dismantlement, and that, upon the successful conclusion of dismantlement, they would categorically rule out the use of force against each other thereafter. The United States would also pledge to respect North Korean sovereignty and not to hinder its economic development."* (pp.19-21)

## RENEGOTIATING THE AGREED FRAMEWORK

*"The Agreed Framework should be renegotiated to provide for the construction of one light water reactor, not two, and the substitution of conventional energy alternatives for the electricity that would have been supplied by the second reactor. North Korea would have to reaffirm its commitment to other existing provisions of the accord... In addition, North Korea would have to accept new provisions that would end its effort to produce enriched uranium under adequate verification..."* (pp.21-22)

## RESUMING MISSILE NEGOTIATIONS

*"The United States should resume negotiations with North Korea to end both the further development of missile capabilities that could threaten the United States and the export of its missiles, missile technology and missile components to other states. Priority should be given to extending the North Korean moratorium on missile testing in effect since September, 1999... In addition to multi-year U.S. food aid, energy aid and other economic incentives for a missile agreement, the United States should support multilateral financial aid to develop new industries that would provide employment for the workers displaced from existing missile factories..."* (pp.22-23)

## ENDING THE KOREAN WAR

*"Half a century after the end of the Korean War, it is time for the United States to conclude peace agreements with the other two parties to the 1953 Armistice Agreement, North Korea and China, provided that North Korea agrees to conclude a separate agreement with South Korea, which did not sign the Armistice..."* (pp.23-24)

# Overview: Key Recommendations

## REPLACING THE ARMISTICE MACHINERY

4 *"The Military Armistice Commission set up in 1953 should be replaced with new peacekeeping machinery, together with companion steps to dissolve the United Nations Command. The United States should explore the October 9, 1998, North Korean proposal for the creation of a Mutual Security Assurance Commission in place of the Military Armistice Commission and the U.N. Command, consisting of U.S., South Korean and North Korean generals..."* (p.24)

## LOWERING THE U.S. MILITARY PROFILE

*"Before opposition to the U.S. military presence reaches serious proportions and leads to significant pressures for disengagement, the United States should defuse this opposition by lowering the U.S. military profile in South Korea and offering to make changes in the size, character and location of U.S. deployments..."* (pp.24-25)

## SUPPORTING NORTH KOREAN ECONOMIC DEVELOPMENT

*"As progress on resolving security issues moves forward, the United States should support economic regeneration and growth in North Korea and, in conjunction with this support, encourage North Korea to carry forward its recent economic reform initiatives with technical assistance from international financial institutions..."* (pp.25-26)

## REDUCING MIGRATION TO CHINA

*"The United States and the international community should take urgent steps to relieve the plight of North Korean migrants into China and reduce the flow of future migration through humanitarian and economic assistance measures in North Korea..."*

(pp.26-27)

## KEEPING THE THREAT IN PERSPECTIVE

*"Projections of an imminent North Korean capability... to develop and deploy long-range missiles capable of delivering nuclear weapons to the continental United States ... ignore the technical constraints on the North Korean missile program." In the only test of the Taepodong 1 so far conducted, in 1998, the third stage failed. Both the Taepodong 1 and the bigger, more complex Taepodong 2 now in development, which has not been tested, "would have to include a third stage, successfully tested, to achieve the longest ranges usually attributed to them."*

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The following working papers prepared for the Task Force are available at the Center for International Policy website, [www.ciponline.org](http://www.ciponline.org):

David Albright: "Finding Our Way Anew to a Denuclearized Korean Peninsula"  
Bradley Babson: "Economic Cooperation on the Korean Peninsula"  
Bruce Cumings: "The United States and Korean Unification"  
Selig S. Harrison: "The Conventional Arms Control Agenda"  
K.A. Namkung: "The Ties That Unbind: Japan and U.S. Korea Policy"  
David Shambaugh: "China and the Korean Peninsula: Playing for the Long-Term"  
Leon Sigal: "U.S. Interests and Goals on the Korean Peninsula"  
David Wolff: "A Role for Russia in a Korean Settlement"  
David Wright: "The North Korean Missile Program"

# The Nuclear Crisis

On October 4, 2002, North Korea acknowledged that it had initiated a clandestine program to produce enriched uranium despite a pledge not to do so in Article Three, Section Two of the 1994 Agreed Framework. This revelation has set in motion an escalating confrontation with the United States in which North Korea has withdrawn from the Nuclear Non-Proliferation Treaty, expelled International Atomic Energy Agency inspectors and moved to restart the plutonium production program frozen under the 1994 accord.

The Task Force on U.S. Korea Policy unanimously agrees that a resumption of plutonium production by North Korea and its success in developing a weapons-grade uranium enrichment capability would be likely to have a disastrous impact on the stability and security of Northeast Asia and on the global non-proliferation regime. Such an outcome could touch off a regional arms race, driving South Korea, Japan and Taiwan to reconsider the development of nuclear weapons.

The Task Force recommends urgent diplomatic initiatives by the United States to test whether North Korea is in fact prepared for a verifiable end to all aspects of its nuclear weapons development, including both bilateral U.S.-North Korea negotiations and a broader multilateral process. At the same time, the Task Force warns that the American effort to prevent a nuclear-armed North Korea is likely to succeed only if the United States acts in concert with South Korea, Japan, China, Russia and the European Union, and only if the resolution of the nuclear issue is addressed together with the pursuit of four other directly related issues: normalizing U.S. economic and political relations with North Korea; guaranteeing the security of a non-nuclear North Korea; promoting the reconciliation of North and South Korea, and drawing North Korea into economic engagement with its neighbors.

The Task Force emphasizes the need for a flexible American response to the rapid change now taking place in South Korean attitudes toward relations with the North and the impact of U.S. policies on North-South reconciliation. In seeking to resolve

the nuclear issue, the United States should give great weight to the views of South Korea and Japan regarding the terms of a settlement and the best way to achieve one. It is South Korea and Japan that would bear the brunt of any military conflict with the North resulting from mishandling of the nuclear issue, and would be most directly affected if the North should progress from its present nascent nuclear capability to the actual operational deployment of nuclear weapons.

The Task Force points out that South Korea, Japan, China and Russia have all urged the United States to link the resolution of the nuclear issue with the sustained pursuit of constructive engagement with North Korea. All four have proved reluctant to squeeze North Korea economically. Constructive engagement, they believe, will encourage reform of the autarkic, overcentralized North Korean economic system, reducing the chances of an economic collapse that would lead to a destabilizing refugee exodus into neighboring countries. All four have indicated their support for a U.S. security guarantee to North Korea and the normalization of U.S.-North Korean relations as essential components of a settlement in which North Korea verifiably dismantles its nuclear weapons program. Russian President Vladimir Putin and Chinese President Jiang Zemin, in their December 2 joint statement in Beijing, called for "equal dialogue" between the United States and North Korea, explicitly linking the nuclear issue and the normalization of relations.

The Task Force warns that confrontational U.S. policies toward North Korea, adopted unilaterally, would not only exacerbate the nuclear crisis but would also undermine U.S. relations with Northeast Asia as a whole, especially with South Korea, jeopardizing the future of the U.S.-South Korean alliance. The United States would end up with the worst of both worlds: a nuclear-capable North Korea and severely strained relations with key powers important to U.S. interests globally as well as regionally. Conversely, by pursuing constructive engagement in concert with its friends and allies in the region, the United States would maximize the pressure on North Korea for an acceptable nuclear

settlement and promote the long-term U.S. objective of liberalizing the North Korean system. Regional economic interaction would gradually make North Korea's closed society more penetrable. In a more porous North Korea, the Task Force believes, the economic reforms now beginning there would be accelerated, leading in time to a diffusion of economic power that would loosen totalitarian political controls and moderate human rights abuses.

Members of the Task Force are divided in their assessment of North Korean intentions. A majority feels that North Korea is using its nuclear weapons program as a bargaining chip and would be prepared to give it up in return for economic benefits and security assurances, but would go ahead with nuclear weapons development in the absence of sufficient inducements. A minority argues that North Korea is determined to become a nuclear power or, at the very least, to keep other powers guessing and is unlikely to accept inspection safeguards adequate to verify a complete cessation of its nuclear weapons development. Most members agree that North Korean intentions cannot be fully tested through piecemeal negotiations limited to the nuclear issue alone. In order to put North Korean intentions to a definitive test, the Task Force concludes, it would be necessary for the United States to join with South Korea, Japan, China, and Russia in negotiating a broad regional accommodation with North Korea that would guarantee its sovereignty and military security and would promote its economic development in return for an end to its nuclear program. The inclusion of Russia is essential and would mark a departure from past U.S. regional strategy, which has focused on trilateral cooperation with South Korea and Japan, as military allies, and has included China, but not Russia, in a series of Geneva security dialogues from 1997 to 2000.

Such a regional accommodation would be a logical outgrowth of the policies announced by South Korea, Japan, China and Russia for dealing with the present crisis. But it would require a new readiness on the part of the United States to co-exist with North Korea, notwithstanding its totalitarian system, seeking gradual change there and putting aside the hopes for the collapse of the Pyongyang regime that have been expressed by many U.S. officials in both the Clinton and Bush administrations.

The Task Force believes that negotiations are urgent. North Korea has said that it is ready to negotiate a verifiable end to all nuclear weapons development if the United States will make a formal commitment in writing to "respect its sovereignty," diplomatic language for not seeking to overthrow its government; not to attack it, and "not to hinder" its economic development. To accept this offer, the United States has responded, would be to submit to "blackmail," and North Korea must first dismantle its nuclear weapons program under adequate safeguards as a precondition for negotiations embracing other issues.

The dictionary definition of blackmail is "extortion by intimidation." Negotiating with North Korea to achieve U.S. goals would not be submitting to blackmail because both North Korea and the United States have adopted a threatening posture toward the other. In North Korean eyes, it is plausible that the United States, with nearly 10,000 nuclear weapons and overwhelming superiority in airpower, might stage a preemptive strike. This anxiety has been exacerbated by the rationale for preemptive action against potential security threats presented in the September 20 U.S. National Security Doctrine. As former Defense Secretary William J. Perry has observed, the reason that North Korea wants nuclear weapons "is security, is deterrence. Whom would they be deterring? They would be deterring the United States. We do not think of ourselves as a threat to North Korea, but I truly believe they consider us a threat to them." \*

In order to achieve its objectives in Korea, the Task Force declares, the United States should be sensitive to North Korean feelings of insecurity and adopt policies that address North Korean concerns. Such policies would not be submission to blackmail but rather the exercise of prudent realism in the pursuit of U.S. interests. Nor would it place the United States in the position of a supplicant. Members envisage closely-synchronized diplomatic steps by both sides that would not require either to make an unreciprocated first move to break the stalemate. Detailed scenarios spelling out such steps and follow-up action culminating in a seven power regional conference (the United States, China, Russia, Japan, South Korea, North Korea and the European Union) are presented in the recommendations that follow.

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\* *Interviewed on The News Hour with Jim Lehrer, Public Broadcasting System, September 17, 1999.*

Some Administration officials argue that there is no point in testing North Korean intentions because it demonstrably cannot be trusted to honor any bilateral or multilateral commitments it might make to dismantle its nuclear program. The fact that it has initiated a uranium enrichment program inconsistent with the Agreed Framework is cited in support of this argument. As noted earlier, in Article Three, Section Two of the Agreed Framework, North Korea did pledge that it would "consistently take steps to implement" the 1991 North-South Joint Declaration on the Denuclearization of the Korean Peninsula, which explicitly barred the development of uranium enrichment facilities. However, while condemning the North for its failure to live up to this obligation, the Task Force pointed out that North Korea did honor the operative provisions of the 1994 accord providing for the suspension of its plutonium production facilities. Moreover, the Clinton Administration, faced with domestic U.S. political opposition and confident that the Pyongyang regime would collapse, anyway, also failed to honor key provisions of the accord: Article One, Section One, which envisaged the installation of 2000 megawatts of nuclear-powered electric generating capacity "by the target date of 2003," and Article Two, which provided for "the full normalization of political and economic relations."

In North Korean eyes, the United States got up front what it wanted from the 1994 accord, the suspension of a North Korean plutonium program that could otherwise have produced up to 30 nuclear weapons a year, while North Korea got only unfulfilled promises, with the exception of the 500,000 tons of heavy oil annually pledged in Article One, Section Two. Thus, without condoning North Korean duplicity in starting an enrichment program, this breach of the accord does not, in itself, establish that North Korea cannot be trusted to carry out a new accord, particularly if it involves not only the United States but also powerful neighbors in Northeast Asia on whom it depends for economic support.

### Keeping The Threat In Perspective

In approaching negotiations, the Task Force cautions, it is important to keep the North Korean nuclear threat in perspective, distinguishing between short-term and long-term dangers and setting priorities accordingly. Advocates of preemptive mili-

tary action often exaggerate existing and potential North Korean capabilities to bolster their case.

There is indeed a short term danger that North Korea could produce sufficient plutonium for four to six nuclear weapons, within six or eight months, from the 8,000 spent fuel rods at Yongbyon that have been in storage under the 1994 accord. The expulsion of IAEA inspectors in December, 2002, has left the status of these fuel rods uncertain. Getting them out of the country, as envisaged in the 1994 accord, and getting inspectors and monitoring equipment back in, should be the top U.S. priority. The urgency of forestalling the reprocessing of the fuel rods is underlined by the possibility of transfers of fissile material to third parties.

It is commonly assumed that North Korea already had one or two plutonium-based nuclear weapons when the Agreed Framework was concluded. Yet the reality is that the United States does not know how much plutonium had been produced before 1994; and, in any case, whether it has been weaponized. This has been confirmed by General James Clapper, who was Director of the Defense Intelligence Agency during the 1994 nuclear crisis and is now Director of the National Imagery and Mapping Agency. "Personally as opposed to institutionally, I was skeptical that they ever had a bomb," General Clapper said. "We didn't have smoking gun evidence either way. But you build a case for a range of possibilities. In a case like North Korea, you have to apply the most conservative approach, the worst-case scenario."\* The CIA has not made a formal assessment of North Korea's plutonium capabilities since November, 1993, when a National Intelligence Estimate reportedly said, "it is more likely than not" that the North had "one, possibly two" nuclear "devices," as distinct from weapons.

As for a uranium-based nuclear weapons capability, a declassified C.I.A. estimate said in December, 2002, that the uranium enrichment plant under construction "could produce enough weapons-grade uranium for two or more nuclear weapons per year when fully operational, which could be as soon as mid-decade." The threat of an operational enrichment capability is not imminent, leaving time to head it off through negotiations.

In short, priority should be given to ending the short-term threat that would be posed if North

\* Interview with Leon V. Sigal, October 31, 1996, cited in Leon V. Sigal, *Disarming Strangers: Nuclear Diplomacy With North Korea*, Princeton University Press, 1998, pp. 93-94.



Korea were to reprocess the spent fuel rods and restart the Yongbyon reactor. If this threat is removed by "re-freezing" the reactor, as North Korea has offered to do, and by resuming monitoring of the spent fuel rods until they are shipped out of the country, there will be ample time for a graduated process of tit-for-tat concessions leading to the full dismantlement of North Korean nuclear capabilities—a crucial milestone in sustaining and strengthening the global nuclear non-proliferation regime.

With respect to missiles, over time, with sufficient testing, North Korea might be able to develop and deploy missiles capable of delivering nuclear weapons to the continental United States. But projections of an imminent capability ignore the technical constraints on the North Korean missile program. Moreover, they obscure the fact that North Korea agreed in 1998 to observe a moratorium on missile testing while negotiations proceeded on the normalization of relations with the United States. North Korea offered to discontinue all testing, production and deployment of missiles with a range over 500 kilometers (300 miles) as part of the broad normalization agreement under discussion during the last days of the Clinton Administration.

The longest-range missile currently deployed by North Korea is the Nodong, which has an estimated range of 1,300 kilometers (800 miles) and can carry a payload of 1500 pounds. Such a range would allow North Korea to target all of Japan. The only known North Korean flight test of the Nodong was in May, 1993, though Pakistan may have provided North Korea with information from the tests of its Ghauri missile, which is believed to consist largely or entirely of North Korean components.

North Korea's only test of a longer-range missile occurred in August, 1998, when the three-stage Taepodong 1 (TD-1) missile was launched in an attempt to place a small satellite in orbit. This effort was not successful due to a failure of the missile's third stage. The test did demonstrate for the first time the North's technical capability to launch missiles with multiple stages, as well as its access to solid fuel technology, which was used in the third stage that failed. However, the TD-1 cannot be considered operational without successful flight tests. Moreover, North Korea has not flight-tested a re-entry heat shield that would be required for a long-range missile. Such a heat shield is required for a

missile intended to deliver a warhead to targets on the ground, but is not needed to launch a satellite into orbit.

Even if the TD-1 were successfully tested, it could at best deliver a small payload as far as Alaska or Hawaii. Theoretically, such a light payload would be enough for a limited chemical or biological attack, though not for delivering a nuclear warhead. However, whether chemical and biological weapons can be delivered effectively by long-range missiles is debatable.

The Taepodong 2 (TD-2), a longer-range missile that North Korea is believed to be developing, has never been flight tested, and the status of its development is uncertain.

As David Wright of the Union of Concerned Scientists pointed out in a working paper for the Task Force, the TD-2 would differ significantly from any missile that North Korea has built or tested. It would be much bigger than the TD-1 and would generate greater thrust, so that the mechanical stresses on the body would be much more severe than on previous North Korean missiles. Moreover, for such a big missile, North Korea is expected to use a cluster of four engines in the large first-stage booster, which would increase the complexity of the missile. The TD-2 would have to include a third stage, successfully tested, to achieve the ranges usually attributed to it, but North Korea has not successfully tested such a stage. As noted above, North Korea has not tested a re-entry heat shield at long distances. All of these considerations call into question how quickly such a missile could be successfully tested and made operational.

Official estimates of the possible range of the TD-2 are controversial. In its December, 2001, National Intelligence Estimate, the CIA projected that a two-stage TD-2 "could deliver a several hundred-kg payload up to 10,000 kilometers (6,200 miles)—sufficient to strike Alaska, Hawaii and parts of the continental United States," and that a third stage could increase the range to cover all of North America.

These range estimates assume that the technology used in the TD-2 would be significantly better than that used in the TD-1. In particular, they appear to assume that the body is made of significantly lighter materials, and that the engines provide higher

thrust. In the absence of lighter materials and higher thrust, a two-stage TD-2 might be able to reach parts of Alaska with a nuclear payload, but appears unlikely to be able to reach the continental United States or even the main Hawaiian islands.

Similarly, without these upgrades the range of the three-stage TD-2 would be sufficient to reach Alaska and Hawaii, but only the extreme northwest corner of the continental United States. Such a capability would be troubling, but is considerably less than the official estimates. Without flight testing, which is verifiable using satellites, North Korea cannot develop an operational, long-range missile capability. This is why it is urgent to keep the current missile-testing moratorium in force and to resume missile negotiations with North Korea.

### If Negotiations Fail

The majority of the Task Force believes that sustained negotiations, pursued seriously, can lead to the denuclearization of North Korea. If negotiations should fail, the Task Force opposes preemptive U.S. military action against North Korea or its nuclear facilities. While military action might be able to destroy known facilities, it would not be able to destroy nuclear material and facilities at unknown locations. Moreover, attacks on North Korea would be likely to lead to retaliatory attacks on U.S. bases in Japan and South Korea and to a flood of refugees into neighboring countries.

Secretary of State Colin Powell suggested on December 29 that the United States could live with a nuclear-armed North Korea, asking, "What are they going to do with another two or three nuclear weapons? If they have a few more, they have a few more."

The Task Force deplores this statement, minimizing as it did the damaging impact that a nuclear-armed North Korea would have on Northeast Asian stability and on the global non-proliferation regime. To make such a statement before testing North Korean intentions seriously at the bargaining table, the Task Force feels, cast doubt on the readiness of the Administration for serious negotiations and its broader commitment to the goal of non-proliferation. Nevertheless, the Task Force agrees with his implicit assessment that U.S. strategic and tactical nuclear capabilities in the Pacific would deter the

use of nuclear weapons by North Korea against the United States and its allies. Preemptive military action to destroy North Korean nuclear and missile facilities would not be warranted. Should North Korea develop nuclear weapons, it would do so with a variety of possible motivations. One motivation could be to deter a U.S. preemptive strike. Others could be to increase its bargaining leverage with South Korea and other countries; to reduce its conventional forces for economic reasons, and to sell fissile material for cash. The least likely motivation would be to initiate offensive action that could invite its destruction. Therefore, the United States should respond to a nuclear-armed North Korea with renewed efforts to alleviate North Korean security concerns and to keep the door open for improved relations.

For example, while preemptive military action has always been an unstated, implicit option in U.S. strategic doctrine, the United States should avoid provocative public statements asserting the U.S. right to take such action, which would only strengthen the forces within North Korea supporting the development of nuclear weapons. At the same time, the United States should promote regional conventional and nuclear arms control initiatives designed to constrain North Korea's nuclear buildup and to prevent a regional nuclear arms race.

A minority of the Task Force feels that there is one contingency in which preemptive action might have to be considered: if clear evidence establishes that North Korea is transferring fissile material to third parties, and if this evidence is made public when it does not compromise military operations.

The Task Force warns that a confrontational U.S. posture toward a nuclear-armed North Korea could lead to a rupture in the U.S.-South Korean alliance. The steady improvement now taking place in South Korean relations with North Korea, centering on economic interchange, is driven by powerful undercurrents of Korean nationalism, reinforced by a strong consensus in South Korea that a collapse of the North Korean state would impose unacceptable economic burdens on the South.

Faced with a nuclear-armed North Korea, would South Korea slow down this economic interchange, risking the resurgence of the military tensions that marked North-South relations until the June, 2000,

## North-South summit?

The Task Force feels that this cannot be taken for granted and that the South could well respond instead with arms control initiatives designed to restrain the North's nuclear buildup. In the eyes of some South Koreans, a North Korean nuclear capability would not necessarily be threatening to the South, since they believe its purpose would be to deter U.S. military action against North Korea that the South does not want and, secondarily, to balance what is seen as the latent threat of a nuclear-armed Japan. At the same time, the Task Force points with concern to the significant minority sentiment in the South in favor of acquiring a plutonium reprocessing capability that would give the South its own nuclear option. The danger that this sentiment will grow is one of the governing reasons why the Task Force urges a determined negotiating effort without delay to head off a North Korean nuclear weapons capability.

# The United States and South Korea

During the past two years, South Korea has increasingly perceived the confrontational U.S. posture toward North Korea as an obstacle to the achievement of a rapprochement with the North that would lead to reconciliation and eventual confederation or reunification. Before deciding on future policies, the United States should initiate urgent high-level consultations with South Korea. Looking ahead, whether or not North Korea develops nuclear weapons, the United States should seek to harmonize its policies with those of the South and to adapt the U.S.-South Korean alliance to the evolving environment in the peninsula as a whole.

Maintaining positive U.S. relations with South Korea, as a showcase of democratic values and economic dynamism in Asia, should be the lynchpin of a larger U.S. effort to promote a peaceful, nuclear-free peninsula moving toward North-South amity. American policy should not be driven by exaggerated fears of an economically stagnant North Korea with a gross national product one-twentieth that of the South.

Tensions over how to deal with North Korea between the United States and many South Koreans, especially in the younger generation, have been magnified by the dramatic expansion of social and political consciousness in the South that has been underway since the overthrow of military rule in 1987. By supporting the Park Chung Hee and Chun Doo Hwan dictatorships, the United States delayed the advent of democratization. But it was the pervasive infusion of democratic values resulting from half a century of interaction with the United States following the Korean War that led to the upheaval of 1987. Since then, as the economy has developed, generating significant economic inequities, more and more middle class and low-income South Koreans have participated in social and political movements. Non-governmental civic organizations have blossomed. Some have focused on protecting the interests of consumers and small business and on curbing the concentrated economic power of the chaebol or conglomerates. Others have sprung up as a response to air and water pollu-

tion and pervasive environmental problems aggravated by rapid growth. Legal reforms that have transferred power from the central government to local municipalities have encouraged the proliferation of civil society groups concerned with cleaning up local government and fostering community social welfare programs. Local governments in the areas where U.S. bases are located have been energized as forums for local residents' concerns about the U.S. presence.

In recent years, the Internet and E-mail have made it easier to communicate and organize. South Korea, with its near-universal literacy, ranks third in the world in per capita Internet use and now has a level and intensity of mass social and political awareness found in few countries.

Foreign and defense policy debates in South Korea have until recently been confined to a relatively small intellectual and political elite. But the broadened base of social and political activism since 1987 has changed that. Popular interest in foreign policy has burgeoned during the past two years, fueled by fears that the United States might drag the South into an unwanted war. President-elect Roh Moo Hyun capitalized on these fears in his election campaign. Equally important, the perception has grown in South Korea that the United States rides roughshod over South Korean sovereignty, disregarding South Korea's wishes in shaping its policies toward the North and clinging to a dominant role in the management of the U.S.-South Korean alliance that is no longer militarily necessary.

Recent opinion surveys show majority support for a continued U.S. force presence in Korea in the near to medium-term. However, the United States faces festering opposition to its military presence, fed by a variety of factors, some old, some new. For many years, popular resentment has focused on prostitution near military bases, on the degree of extraterritorial immunity enjoyed by U.S. servicemen who commit crimes in Korea and on the conspicuous occupation of prime urban real estate by U.S. military installations. This resentment has been building

up for years but has not been visible to the American public because former authoritarian regimes kept a tight lid on it. Now it is steadily growing, stimulated by rising nationalism as North-South relations improve. The American presence is widely perceived as an obstacle to progress in reducing military tensions. The primacy of the United States in the U.S.-South Korean Combined Forces Command is increasingly a target for critics on the right and left alike who call for a new command structure and the return of wartime operational control over South Korean forces to South Korea.

As the recommendations spelled out later suggest, the United States should be prepared to consider changes in the size, location and character of the U.S. presence that would make it less abrasive to South Korea, more compatible with its sovereignty and more sensitive to the changing climate of North-South relations.

As immediate priorities, the Task Force recommended changes in the Status of Forces Agreement that would give South Korea increased legal rights over U.S. servicemen and urged that some U.S. installations, such as Yongsan in Seoul, should be moved away from population centers, where they are a major irritant. The Task Force supports the efforts of both governments to develop the Land Partnership Program, recently put into effect to consolidate bases and return sizable areas of land used by U.S. forces to South Koreans.

In the context of declining North-South and North-U.S. tensions, the United States should consider reducing the size of the U.S. presence and pulling back its forward-deployed forces from the DMZ so that they would no longer play a "trip-wire" role in which they would automatically become involved if war breaks out. South Korea's well-trained, well-equipped and highly capable forces would then bear the brunt of an attack, with U.S. forces in a supportive role. Such pullbacks could either be made unilaterally or, if arms control negotiations with the North should become possible, in return for the negotiated pullback of forward-deployed North Korean forces.

Other possible changes that should be considered include bilateral U.S. and South Korean peace agreements with the North formally ending the Korean War and replacement of the obsolete

machinery created to monitor the 1953 Armistice, which assumes an adversarial North-South and North-U.S. relationship. The Task Force envisages new machinery suited to a climate of improved relations, such as the trilateral Mutual Security Commission (North Korean, South Korean and U.S. generals) proposed by North Korea. Over time, if tensions in the peninsula decline, the U.S. presence could be progressively phased out, but the U.S.-South Korean mutual security agreement would remain in effect and U.S. equipment could be kept available for emergency use in South Korean bases after U.S. forces leave. Significantly, North Korea has made clear that it might not object to a U.S. ground force presence in Korea in the context of normalized relations.

Unless and until North Korea's nuclear weapons program is dismantled under adequate inspection safeguards, the Task Force envisages the indefinite continuation of the U.S. nuclear umbrella over South Korea. By the same token, the United States should be prepared to join in a four-power agreement with Russia, China and Japan not to use or deploy nuclear weapons in Korea as part of a broader, verifiable settlement that would bar North and South Korea alike from developing nuclear weapons.

In the absence of a flexible U.S. posture attuned to South Korean priorities, the Task Force warns, the U.S.-South Korean alliance is likely to unravel in the years ahead, and there is a long-term danger of xenophobic animosity toward the United States on both sides of the DMZ that would poison U.S. relations with the 70 million people of a unified Korea. The Task Force urged, in particular, that the United States identify itself unambiguously with the goal of North-South reconciliation and stop blocking economic interchange in key areas such as energy, mindful that many Koreans regard the United States as the principal culprit responsible for the division of the peninsula in 1945 and believe that it is up to the United States to help put the pieces together again.

Already, the seeds of animosity have led to demonstrations against the U.S. presence in the South, reflecting a widening gulf between the older generation, which remembers the sacrifices of the United States in the Korean War, and a younger generation which does not.

# The United States and North Korea

The dramatic reversal in the relative economic and military strength of North and South over the past five decades makes it necessary for the United States to revise its cold war assumption that the North is committed to the forcible reunification of the peninsula. Even before China and Russia ended their petroleum and food subsidies in the early 1990s, touching off an economic crisis that still continues, the North Korean economy was in deep trouble. The South was growing at a much faster rate. Moreover, it had translated this growth into increased military power by purchasing sophisticated U.S. weaponry and by developing an extensive network of defense industries in partnership with U.S. firms. Since 1990, Russia and China have forged much closer economic ties with the South than with the North and have stopped selling new military hardware to the North. Many members of the Task Force believe that with each passing year, as its aging tanks and planes have deteriorated and as its economic malaise has persisted, North Korea has felt more insecure and more fearful of a U.S. preemptive strike, or of U.S.-led pressures to bring about its collapse. In place of its 1950 dream of forcible reunification, the North is now obsessed with its very survival, acutely aware that it is too weak economically to sustain a protracted war.

Most members of the Task Force accepted the judgment of many military analysts that the reason for North Korea's forward deployment of so much of its military power at the DMZ is to deter a U.S. attack. If the North should develop a nuclear weapons capability, the Task Force felt, its motivations could be varied. One could be deterrence of a U.S. attack. Others could include a belief that this would strengthen its standing and bargaining leverage with South Korea and other countries; a desire to sell fissile material for cash; increasing its military freedom of action at the DMZ, and reducing its defense spending burden by downgrading conventional forces in its security equation and shifting manpower from military forces to the civilian economy. North Korean leader Kim Jong Il told South Korean President Kim Dae Jung during their June, 2000, summit, that he would like to demobilize hundreds

of thousands of soldiers to provide the labor needed for the South Korean factories to be built in the proposed North-South industrial complex at Kaesong.

Despite its economic problems and the political uncertainties inherent in a closed, repressive totalitarian system, the majority of Task Force members feel that it is unrealistic to expect a collapse of the North Korean state, and that the United States should deal with North Korea as it is. Since the death of Kim Il Sung in 1994, the North Korean system has survived with his basic unity intact. The quasi-religious nationalist mystique associated with his memory continues to evoke broad popular acquiescence in the totalitarian discipline imposed by the ruling armed forces and the Workers Party. This mystique grew initially out of his role as a guerrilla leader fighting Japanese colonial rule, but its durability lies primarily in vivid historical memories of shared sacrifices under his leadership during the Korean War. Totalitarian discipline is reinforced in the North by deeply-rooted Korean traditions of political centralization and obedience to authority.

The Task Force condemns the abuses of human rights inflicted by the North Korean system but cautions against the assumption that these abuses will lead to its collapse. In contrast to Germany, the two Koreas fought a fratricidal war. West German chancellor Willy Brandt did not have to overcome the bitter legacy of such a conflict when he initiated *Ostpolitik*. It was the network of contacts and economic linkages between East and West Germany made possible by *Ostpolitik* that set the stage for the upheaval triggered in the East by Mikhail Gorbachev's relaxation of the Soviet grip, just as the North-South contacts initiated by Kim Dae Jung will gradually change the North Korean system in the decades ahead.

For all its repression, East Germany never achieved the Orwellian thoroughness of North Korea, where children begin to spend six days a week away from their parents at the age of three. Unlike Eastern Europe, in which television, short-wave radios, and

cassettes leapfrogged national frontiers, even during the cold war, North Korea is tightly insulated from outside influences. All television and radio sets must be registered and have fixed channels. Only the top echelon of the Workers Party has more than an inkling of what the rest of the world is like.

Although the North Korean state may not implode or explode in the foreseeable future, as some predict, it could well erode over a period of years. Attempting to promote a collapse by further squeezing North Korea economically would accelerate refugee flows to China, which would aggravate the humanitarian crisis in Chinese border areas without destabilizing the North Korean regime. Equally important, it would undermine the nascent economic reform process in North Korea, strengthening hard-liners who oppose reform.

During the worst famine years of 1995 and 1996, the government's food procurement and distribution machinery broke down, and private farm markets mushroomed in the North Korean countryside. Instead of closing them down by force, Kim Jong Il chose to look the other way, which eased the food shortage in urban areas and stimulated a broader movement toward an unofficial market economy. Since then, foreign food aid administrators have reported direct evidence of more than 300 private markets. The new markets have coaxed food into circulation that farmers would otherwise have held back from government procurement officers. Agricultural surpluses produced by cooperative farms also find their way into the new markets, along with a wide variety of illicit items such as food diverted from overseas aid stocks, consumer goods obtained in the cross-border blackmarket trade with China, assets and products of state enterprise stolen by corrupt officials, and goods produced by small family private enterprises, which were legalized two years ago.

In July, 2002, as Bradley Babson, a Senior Consultant to the World Bank, has elaborated in his working paper for the Task Force, North Korea initiated significant reforms in prices, wages and other aspects of its economic management that reflect the cautious movement toward a market economy now underway. Some of these reforms have backfired and some have not been fully implemented, fueling inflationary pressures. But they signal a clear recognition of the need for change and a desire to move

toward a market economy.

The government now pays farmers half as much for rice and other basic food commodities as it did previously while selling them to consumers in ration shops at a price five times higher. The increase to consumers brings food prices to levels approaching those that prevail in unofficial private markets. Wage increases, differentiated by occupational categories, range from ten to twenty times higher than previous rates. These wage differentials for different occupations reflect preferences of the government that were formerly embodied in the rationing system, and not the relative values that would be placed on labor if there were a true free market. The government's announced intention is to retain the public distribution system to ensure that all citizens receive a minimum ration of food staples, with the scale of those rations still subject to food availability. Any surplus above this minimum would be available according to the ability to pay. Households will be charged for rent, transport and utilities at much higher levels than previously. As in the past, social services such as education, health care and childcare are to be provided free, but the health care system, in particular, is starved for funds and is steadily deteriorating.

In addition to moving toward monetized economic transactions, North Korea is encouraging decentralized decision-making. State enterprises are now expected to be self-sustaining without state subsidies and will be free to set their own production plans and engage in commercial transactions with other state entities.

Another example of the significant reform initiatives to date is the fact that the regime is pursuing increased foreign investment in carefully-contained enclaves such as the projected special enterprise zones at Sinuiju, Kaesong and Wonsan. These are important first steps toward opening up to foreign investment. The flow of new technologies and management approaches to these enclaves will have spillover effects over time on the rest of the North Korean economy. However, the overall pace of economic reform is not yet fast enough, and the scope broad enough, to resolve North Korea's grave economic difficulties.

One of the most important areas where an acceleration of incentive-based reforms is needed is agri-

culture. North Korea is a mountainous country with only 18 percent of its land arable. It has thus faced food insecurity since its inception and has always needed to import food despite ambitious irrigation, reclamation and mechanization programs. These programs brought increases in production, but collectivized farming, stifling individual incentives, impeded agricultural growth. The cutoff of Russian and Chinese oil in 1990 had immobilized fertilizer factories, tractors and irrigation pumps even before the floods of 1995 and 1996 led to the humanitarian catastrophe of famine in many parts of the country.

The United States and private voluntary U.S. agencies deserve high praise for their substantial contributions to alleviating the continuing food crisis in North Korea. The Task Force regrets that U.S. contributions to the U.N. World Food Program have been suspended until North Korea complies with U.S. demands for stricter monitoring of food aid distribution. While these demands should be pressed, they should not be a condition for continuing food aid. It should be remembered that North Korea has opened up 270 out of its 310 counties to monitoring by aid agencies. This is a remarkable change from the rigidly closed North Korean society of earlier years. The Task Force feels that the children and older people who receive the bulk of U.S. food aid should not be the victims of political tension between North Korea and the United States

The long-term American objective should be to help North Korea move toward sustainable food security. The Task Force emphasizes that it is logical in economic terms for a country with so little arable land to import some of its food. An overall regeneration of the North Korean economy would lead to increased exports that would make commercial food imports affordable once again. For the present, U.S. food aid should continue through annual contributions to the World Food Program, supplemented by multi-year bilateral commitments as part of U.S. agreements with North Korea to end its nuclear and missile programs. Japan and South Korea should be encouraged to increase, not reduce, food aid.

The Task Force notes that the acute food shortage in mountainous border areas, especially North Hamgyong province, has been primarily responsible for the exodus of North Korean migrants to China

in recent years. As a credible study in the British medical journal *Lancet* has reported, there has been relatively little migration from the rest of North Korea, including three other border provinces adjacent to North Hamgyong that also have easy access to China.

The Task Force strongly criticizes the North Korean government for its persecution of some returning migrants. At the same time, it deplors efforts to exploit the migration issue for political purposes, such as organizing North Korean migrants to storm into foreign embassies in China. Those responsible for such tactics have said openly that their long-term objective is to generate escalating migration from North Korea that would lead to its collapse. More likely, the effect would be to impede cross-border traffic that could nurture change in North Korea. The Task Force warns that a collapse would send millions of new migrants into neighboring countries, greatly magnifying what is already a grave humanitarian problem. The recommendations that follow suggest new policies on the part of China, North Korea and the international community that would mitigate the plight of the migrants already in China and reduce new migration.

Ultimately, as noted earlier, humanitarian needs and human rights abuses in North Korea can be effectively addressed only in the context of a liberalization of its economic system that gradually erodes totalitarian political controls. Liberalization will be a tortuous process in the absence of external aid, trade and investment linkages that stimulate economic growth. While focusing in its recommendations on security issues, the Task Force warns that these issues cannot be resolved through policies addressed to North Korean security concerns alone. Security guarantees would have to be provided in conjunction with bilateral U.S. economic aid linked to U.S.-supported aid from multilateral financial institutions and to aid from North Korea's neighbors. North Korea is not likely to dismantle its nuclear and missile programs under adequate verification unless the United States, South Korea, Japan, China and Russia reciprocate with cooperative economic measures beneficial to the North, such as the development of natural gas pipelines from Russia through North to South Korea and other measures with a faster payoff that would help North Korea to deal with its crippling energy crisis, its number one priority.



## The U.S. Stake in Northeast Asia

In shaping its policies toward the Korean peninsula, the United States should be guided by a recognition of the totality of U.S. national interests in Northeast Asia as a whole. The importance of positive U.S. relations with all of the countries surrounding Korea, including Russia, makes it imperative that the United States pursue policies in Korea that are compatible with its broader regional interests and goals. Moreover, the United States can only achieve its goals in Korea itself in close cooperation with neighboring countries that have a direct stake in what happens there.

Northeast Asia is now the epicenter of international commerce and technological innovation. Collectively, Japan, South Korea, China, Taiwan and Hong Kong have constituted the fastest-growing economic region in the world for much of the past two decades, and today account for nearly 30 percent of global Gross Domestic Product (GDP), far ahead of the United States with 19 percent. The world's second and third largest economies in aggregate are in Northeast Asia (China and Japan). Approximately half of global foreign exchange reserves are held by Northeast Asian nations (over \$700 billion). Northeast Asian economies account for nearly half of global inbound foreign direct investment, (\$100 billion per year). Northeast Asian economies are also becoming an increasing source of outbound foreign direct investment, which flows both within the East Asian region and to Europe and North America. Both the United States and the European Union member states trade more with Northeast Asian economies than with each other.

In multiple and unseen ways, Americans are tied on a daily basis to the peoples of Northeast Asian societies. Many business, political, and academic leaders in Northeast Asia are graduates of American universities. American popular culture has had a profound impact on Northeast Asian societies—from baseball to fast food to music and consumer durables. Similarly, Northeast Asian goods and culture have increasingly penetrated American society.

China's entry into the World Trade Organization is

accelerating its economic relations with its neighbors along with the broader international community. Its trade with South Korea is now greater than U.S. trade with South Korea, and South Korean investment in China is burgeoning.

Russia and China are both rich in natural resources. Russia has 31 percent of known global natural gas reserves and its oil reserves rank eighth in the world. The economic unification and stability of the two Koreas would be greatly enhanced by the development of either or both of two projected gas pipelines, one of which would run from eastern Siberia through China to North and South Korea and the other from Sakhalin through the North to the South. Similarly, the projected extension of the trans-Siberian railroad through North Korea to the South would transform the peninsula, sharply illustrating the potential benefits of economic cooperation between Korea and its neighbors.

In security terms the United States has an enormous stake in stable relations with Northeast Asia, where it maintains armed forces totaling 100,000 servicemen and women—37,000 in South Korea, 43,000 in Japan and another 20,000 aboard ships that patrol the sea lanes of the region. These forces include an aircraft carrier battle group homeported in Japan as well as air fighter wings and marine and army units based in South Korea and Japan. Most important, the United States maintains a nuclear umbrella over South Korea and Japan.

Both China and Russia have long urged the United States to adopt a lower military profile in Korea as part of a more conciliatory approach to the North designed to promote a reduction of tensions. Both are playing the role of an honest broker between the two Koreas and would like the United States to do likewise.

If negotiations proceed on dismantling North Korea's nuclear program, the future of the U.S. nuclear umbrella over the South could well become the central issue. Russia has recently proposed a Korean nuclear-free zone in the context of the cur-

rent nuclear crisis. In return for permanently dismantling its nuclear weapons efforts, North Korea is seeking U.S. security assurances. As the recommendations that follow suggest, such assurances should be given in bilateral U.S.-North Korean negotiations, but if agreement on such bilateral assurances is not reached, a multilateral forum could provide a face-saving way for the United States to join in binding regional security guarantees. As part of these guarantees, the Task Force envisages a collective pledge by the United States, South Korea, Japan, China, Russia and the European Union not to use or deploy nuclear weapons in Korea, linked to a companion pledge by North and South Korea not to manufacture, introduce or deploy nuclear weapons, accompanied by adequate inspection safeguards in North Korea.

A proposal by Russia, China, South Korea, or Japan for a nuclear-free zone in Korea would test in a definitive fashion whether the North is serious about a settlement, and whether the United States, for its part, is ready for a partnership with Northeast Asia on equal terms or remains wedded to the unilateralism asserted in the September 20 National Security Doctrine.

# Recommendations

## Resolving the Nuclear Crisis

*The United States should pursue a three-stage bilateral negotiating strategy to achieve the verifiable dismantlement of North Korean nuclear capabilities, while supporting a multilateral diplomatic process addressed to economic as well as security issues in Korea.*

### A BILATERAL SCENARIO

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- In the opening stage of its bilateral diplomacy, the United States should offer to negotiate directly with North Korea on all issues of concern to both sides, including the dismantlement of its nuclear weapons capabilities, its food and energy needs, and the full normalization of political and economic relations, *provided that North Korea pledge not to reprocess the irradiated fuel rods that have been monitored by IAEA inspectors under the 1994 Agreed Framework and to permit the return of the recently-expelled inspectors to resume their monitoring. North Korea would agree to honor this pledge for the duration of bilateral negotiations.*
- By prearrangement, Secretary of State Colin Powell and Foreign Minister Paik Nam Soon would then make a joint declaration in Washington or Pyongyang. North Korea would pledge in this declaration to negotiate the verified dismantlement of all aspects of its nuclear capabilities. Both sides would pledge that they would not use force against the other during negotiations on dismantlement, and that, upon the successful conclusion of dismantlement, they would categorically rule out the use of force against each other thereafter. The North would reaffirm its 1991 non-aggression commitment to the South. The United States would also pledge to respect North Korean sovereignty and not to hinder its economic development.
- In the second stage, the two sides would initiate substantive negotiations in which progress toward denuclearization would be linked to U.S. steps that address North Korean concerns.

For example, the United States could offer to resume the monthly oil shipments that were promised under the Agreed Framework and suspended last December and provide a first installment of conventional energy assistance, provided that North Korea take steps to re-freeze the Yongbyon reactor, freeze its uranium enrichment program, declare where its enrichment facilities are located, invite U.S. inspectors to verify the freeze and account for the material it is known to have imported for the enrichment program, especially aluminum tubing.

Critical but secondary U.S. negotiating objectives could be a North Korean declaration detailing where it has procured its enrichment equipment and technology and a pledge to stop all foreign procurement, including dual-use items, related to enrichment. In return, the United States could expand conventional energy assistance.

- In the third stage, the United States would press for the permanent dismantlement of uranium enrichment capabilities, offering the economic incentives necessary to make this possible.
- The United States should use the Agreed Framework in its existing form as a starting point in negotiating

denuclearization with North Korea while, at the same time, renegotiating some provisions and adding new ones. For example, re-freezing the Yongbyon and Taechon reactors and the resumption of oil shipments would be a reversion to existing provisions that have been suspended since the uranium enrichment program was revealed last October. So would a North Korean commitment not to reprocess the irradiated fuel rods at Yongbyon. It is desirable to keep the Agreed Framework in force in order to retain the legitimacy of provisions advantageous to the United States, such as North Korea's commitment in Article One, Section Three, not to reprocess the fuel rods, to ship them out of the country and to dismantle all plutonium related facilities coincident with completion of the two light water reactors promised under the accord.

*As the next recommendation spells out, Article One, Section One should be renegotiated to provide for one reactor, not two, and new arrangements should be made for conventional energy assistance in place of the electricity that would have been generated by the second reactor.*

### **Rationale**

The priority given in this recommendation to stopping the reprocessing of the plutonium fuel rods reflects the fact that reprocessing would make possible the production of four to six nuclear weapons within six to eight months. Similarly, restarting the Yongbyon reactor and completing the construction of the two reactors at Taechon covered by the Agreed Framework would make possible the eventual production of 30 nuclear weapons per year. These are clearly established facts. By contrast, the C.I.A. does not foresee an operational North Korean capability for making weapons-grade enriched uranium before "mid-decade."

There is an important precedent for making substantive negotiations conditional on a North Korea pledge not to reprocess the Yongbyon fuel rods and to readmit the IAEA inspectors to verify this pledge. In June, 1994, Jimmy Carter, after obtaining Kim Il Sung's commitment to negotiate a nuclear freeze, persuaded him to initiate an immediate freeze that was to remain in effect pending formal negotiations and to permit IAEA inspectors to remain in Yongbyon to verify the freeze.

This is what gave President Clinton the political cover necessary to conclude the Agreed Framework. Similarly, it should be sufficient for the Bush Administration to obtain a commitment not to reprocess the fuel rods as a precondition for substantive dialogue. Insisting on the full dismantlement of North Korean nuclear capabilities as a precondition is unrealistic and could well goad North Korea into carrying out its threats to proceed with nuclear weapons development.

### **A MULTILATERAL SCENARIO**

- To reinforce U.S.-North Korean negotiations, or as an alternative if bilateral dialogue founders, a seven-nation conference should be convened in Brussels with the European Union as host on the topic, "Security and Economic Development in Korea" (The European Union, the United States, South Korea, North Korea, China, Russia and Japan). It would have five purposes: to give the United States a face-saving way to resume bilateral negotiations with North Korea; to give international status to any bilateral U.S.-North Korean agreements; to draw North Korea into denuclearization commitments made to the participating states as a group, thus strengthening any undertakings it gives to the United States; to provide security guarantees to North Korea by the other, participating states that would help to make meaningful denuclearization acceptable to the North; and to plan economic aid initiatives by the other participating states that would make the benefits of denuclearization greater in North Korean eyes than the risks.
- Working groups on economic and security issues could meet in advance to develop specific proposals for consideration at the conference, such as natural gas pipelines and other energy projects urgently desired by

the North and the Korean nuclear-free zone proposal mentioned earlier.

### Rationale

Russia's offer to host a multilateral conference has received a cool U.S. reception. South Korea, as an interested party, would not be acceptable as a host to the North, and Japan, as the former colonial ruler of Korea, would be unacceptable to both the North and the South. The European Union, by contrast, would be acceptable to all parties, including North Korea, which has been cultivating E.U. ties.

On January 29, the European Parliament called on the European Commission to convene "in the late spring or early summer seven-nation talks about the situation in the Korean peninsula, focusing on economic, security and nuclear disarmament issues."

North Korea would be likely to join in such a conference only if it is preceded or accompanied by bilateral dialogue with the United States. Even then, it would be a reluctant participant, but it is likely to agree if attractive economic incentives emerge in pre-conference working groups.

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## Renegotiating the Agreed Framework

*The Agreed Framework should be renegotiated to provide for the construction of one light water reactor, not two, and the substitution of conventional energy alternatives for the electricity that would have been supplied by the second reactor.*

- North Korea would have to reaffirm its commitment to other existing provisions of the accord, under which it must dismantle its frozen nuclear facilities coincident with the completion of the reactor project. In addition, North Korea would have to accept new provisions that would end its effort to produce enriched uranium under adequate verification, and would have to go beyond existing provisions that require International Atomic Energy Agency inspections to determine how much fissile material had been accumulated before 1994. The Bush Administration wants these inspections to begin immediately, much sooner than the Agreed Framework requires. North Korea would be likely to accept such accelerated inspections if the schedule of inspections is linked to progress in the construction of the reactor.
- In return, the United States could drop its opposition to projected gas pipelines from Siberia or Sakhalin that would go through North Korea to the South; encourage multilateral assistance for gas-fired power stations, transmission grids and fertilizer factories along the pipeline route, and support interim KEDO energy aid to the North pending completion of the reactor and the pipeline.
- Russia would be invited to join KEDO in recognition of its long collaboration with North Korea in civilian nuclear technology and its potential role as a supplier of natural gas to Korea.

### Rationale

North Korea and South Korea alike oppose a revision of the 1994 accord in which both nuclear reactors would be abandoned in favor of conventional energy alternatives, for reasons discussed below. But both might well agree to reduce the KEDO commitment to one reactor, instead of two, if that would keep the nuclear agreement on track.

For the Bush Administration, inducing North Korea to accept one reactor instead of two, together with strengthened nuclear inspections, could be presented in the United States as a political victory, partially vindicating Republican charges that Clinton gave North Korea too much in the 1994 accord, on terms that were not tough enough.

For Pyongyang, to get at least one of the reactors up and running is a political imperative if only because the Agreed Framework bore the personal imprint of the late President Kim Il Sung and of Kim Jong Il. Equally important, since Japan and South Korea both have large civilian nuclear programs, North Korea regards nuclear power as a technological status symbol. Like Tokyo and Seoul, Pyongyang wants nuclear power in its energy mix to reduce dependence on petroleum.

In the case of South Korea, support for the KEDO program comes in part from the fact that funding for the first reactor has already been secured from the National Assembly, in part from vested interests with a stake in contracts to build the reactors. The South had already spent some \$800 million on the reactors by the end of 2002, and South Korean companies had lined up contracts totaling another \$2.3 billion for the construction work ahead. Still, half a loaf would be better than none, and the money spent by the South has gone, so far, only to the infrastructure at the site and to the first reactor.

South Korea likes the KEDO project because it is confident that the reactors will someday belong to a unified Korea. By contrast, Japan made its \$ 1 billion commitment to KEDO grudgingly and has dragged its feet in meeting its obligations. In Japanese eyes, North Korea cannot be trusted to observe nuclear safety standards, and Tokyo fears another Chernobyl in Japan's backyard. Since Tokyo has already spent \$ 400 million on the project, it is reluctant to see it scrapped entirely, but like Seoul might accept a compromise limiting the project to one reactor.

American support for a gas pipeline from Sakhalin through North Korea to the South is necessary because Exxon-Mobil, a U.S. firm, is the principal partner in the Sakhalin seabed gas concession involved and would not build the pipeline in the face of White House opposition.

## Resuming Missile Negotiations

*The United States should resume negotiations with North Korea to end both the further development of missile capabilities that could threaten the United States and the export of its missiles, missile technology and missile components to other states. Priority should be given first to extending the North Korean moratorium on missile testing in effect since September, 1999; next, to stopping missile exports, and finally, to negotiating a permanent end to the testing, production and deployment of all missiles with a range over an agreed threshold, with adequate verification.*

*In addition to multi-year U.S. food aid, energy aid and other economic incentives for a missile agreement, the United States should support multilateral financial aid to develop new industries that would provide employment for the workers displaced from existing missile factories, together with U.S. aid drawing on the experience of the Nunn-Lugar program in Russia.*

### Rationale

Extending the moratorium on missile flight testing should be the most urgent U.S. objective in missile negotiations because the moratorium caps North Korean missile capabilities at present levels and such testing is easily verified by U.S. satellites.

During negotiations in 1999 and 2000, the United States made significant progress in missile negotiations with North Korea, and North Korean officials have since signaled their readiness to pick up these negotiations where they left off in the context of an overall improvement in U.S.-North Korean negotiations.

The most hopeful progress was made in negotiations on missile exports. North Korea had offered to stop all exports of missiles, technology and components if agreement could be reached on the amount and form of U.S. compensation for the losses that a cessation of exports would entail. North Korea agreed that compensation would not have to be in cash, as previously demanded, but in kind. Discussion on the amount and

form were underway when negotiations were interrupted at the end of the Clinton Administration.

Hopeful progress was also made on banning the testing, production and deployment of missiles. North Korea had proposed a ban covering all missiles with a range over 500 kilometers (300 miles). The United States had insisted on a shorter range, 300 kilometers, combined with a 500 kilograms (1,100 pounds) payload. This is the limitation specified in the Missile Technology Control Regime. Although agreement had not been reached on this issue, North Korean negotiators said that it could be resolved in a Clinton-Kim Jong Il summit. On compensation, agreement had been reached in principle that the United States would sponsor arrangements with Russia, China and the European Union for launching long-range North Korean satellites equipped solely for scientific research.

A ban on the flight testing of missiles can be verified by U.S. satellites. More intrusive verification procedures would be required to verify the end of the sale and production of missiles and components. Some of these could draw on experience under the Intermediate Nuclear Forces (INF) Treaty. The verification regime was not seriously addressed in the 1999-2000 negotiations.

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Previous negotiations also did not seriously address limiting or ending the deployment of the existing Nodong and Scud missiles that are now capable of reaching Japan and South Korea.

## Ending the Korean War

*Half a century after the end of the Korean War, it is time for the United States to conclude peace agreements with the other two parties to the 1953 Armistice Agreement, North Korea and China, provided that North Korea agrees to conclude a separate agreement with South Korea, which did not sign the Armistice. The United States should reconsider its position that it was not a signatory to the Armistice, and South Korea should reconsider its position that it does have legal status as a signatory.*

### Rationale

A formal end to the state of war now existing is a necessary precondition for the reduction of tensions through conventional arms control negotiations. The U.S. position that it was not a signatory is untenable. Although General Mark W. Clark did identify himself in the Armistice agreement as Commander-in-Chief of the U.N. Command, his role as head of the U.N. Command was a mere extension of his position as the ranking commander of all U.S. forces in Korea and of the U.S.-South Korean Combined Forces Command. The Command was from its inception multilateral in name only. As Trygvie Lie, U.N. Secretary General during the Korean War, spelled out in his memoirs, successive U.S. commanders of the U.N. Command insisted on unfettered control over military operations, and in subsequent years even the cosmetic trappings of multilateral control have been progressively reduced.

The South Korean position that it has legal status as a signatory is based on two fallacious arguments.

The first is that even though Syngman Rhee attempted to subvert the Armistice and the South refused to sign it, Rhee later agreed to abide by its provisions. This is fallacious because Rhee's commitment to honor the agreement was made only to the United States, not to North Korea.

The second argument is that since General Clark, in signing the Armistice, identified himself as Commander-in-Chief of the United Nations Command, South Korea, as one of the countries fighting under him, should thus be treated as a signatory. But 15 other countries also fought under the U.N. command. In any case, General Clark's role as head of the U.N. Command was a mere extension of his position as the ranking commander of all U.S. forces in Korea and of the U.S.-South Korean Combined Forces Command.

Operational control by the United States over South Korean forces in time of war understandably leads

North Korea to regard the United States as its main enemy, necessitating a bilateral peace agreement with the United States in order to bring the war to an end.

## Replacing the Armistice Machinery

*The Military Armistice Commission set up in 1953 should be replaced with new peacekeeping machinery, together with companion steps to dissolve the United Nations Command.*

*The United States should explore the October 9, 1998, North Korean proposal for the creation of a Mutual Security Assurance Commission in place of the Military Armistice Commission and the U.N. Command, consisting of U.S., South Korean and North Korean generals. The United States should condition its participation in such a trilateral commission on North Korean agreement to activate the bilateral North-South Joint Military Commission envisaged in the 1992 North-South "Basic Agreement."*

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### Rationale

Both the Military Armistice Commission and the U.N. Command are obsolete vestiges of an adversarial cold war relationship between the United States and North Korea. Their continuance would be incompatible with a peace agreement and with the normalization of relations between the two countries that the Task Force supports.

A trilateral commission would be appropriate because all three countries have forces on the ground in Korea and a U.S. general presides over the U.S.-South Korean Combined Forces Command and would have operational control over South Korean forces in wartime. At the same time, the United States cannot speak for South Korea. Thus, issues relating only to South Korean and North Korean forces would be addressed in the Joint North-South Military Commission. The new Mutual Security Commission would deal with all issues involving U.S. forces in Korea, and would oversee arms control and tension reduction proposals involving both the United States and South Korea.

The dissolution of the U.N. Command would have no military impact, since it has had no military functions for more than two decades. In 1978, when the United States and South Korea created the Combined Forces Command, the U.N. Command formally transferred its authority to the new command. The same U.S. general commands both the Combined Forces Command and the U.N. Command, but he wears his U.N. hat only when participating in meetings of the Military Armistice Commission. The U.S.-South Korea Mutual Security Treaty would continue to provide an umbrella for the U.S. military presence when the U.N. Command is dismantled.

## Lowering the U.S. Military Profile

*Before opposition to the U.S. military presence reaches serious proportions and leads to significant pressures for disengagement, the United States should defuse this opposition by lowering the U.S. military profile in South Korea and offering to make changes in the size, character and location of U.S. deployments. Such changes could be made either through unilateral U.S.-South Korean action or in return for the pullback of forward-deployed North Korean forces as part of the broad process of North-South and North-U.S. rapprochement envisaged in the report.*

*Unless and until a verifiable denuclearization agreement is reached with North Korea, the U.S. nuclear umbrella over South Korea should remain in force.*

*The Task Force urges consideration of a structural change in the U.S.-South Korean military relationship designed to show greater sensitivity to South Korean sovereignty and to keep pace with progress in improving North-South and North-U.S. relations. In place of the tightly-integrated U.S.-South Korean Combined Forces Command, the United States and*



South Korea should move toward a command structure that provides South Korean forces with increasingly greater autonomy, including the eventual return of wartime operational control. Many aspects of the U.S.-Japan model, in which two separate operational structures are linked on a cooperative basis, could be adapted to Korea in the context of declining North-South tensions and reciprocal pullbacks from the DMZ. To make such a looser command structure workable, South Korea should commit the resources needed to modernize its command and control, intelligence, surveillance and reconnaissance capabilities with U.S. assistance.

The goal of the United States should be to move from its present "tripwire" role, in which U.S. forces are automatically drawn into any new Korean conflict, to a new role in which it would have greater flexibility in deciding whether to participate in any given conflict situation.

### **Rationale**

South Korean military forces and defense industries have acquired increasing technological sophistication with U.S. help at a cumulative cost to the United States that has included \$ 7 billion in grant military aid and \$ 12 billion in U.S.-subsidized military sales. The well-trained, well-equipped South Korean forces are now capable of bearing the brunt of any North Korean attack, with U.S. forces in a supportive role. Faced with assuming the principal responsibility for financing and conducting its own defense, South Korea will have an increased incentive for finding a modus vivendi with the North.

Application of the U.S.-Japan model to the revision of the U.S.-South Korean command structure would not be possible in the context of the existing configuration of opposing forces at the DMZ and the attendant stress on time-sensitive and fully-coordinated operations. However, a shift to this model could be studied in preparation for its introduction as tensions decline.

President Kim Dae Jung's National Security Adviser, Lim Dong Won, has proposed a 60-mile North-South "Offensive Weapon-Free Zone" in which tanks, mechanized infantry, armored troop carriers and self-propelled artillery would be barred, including artillery using chemical or biological warfare agents. Given the fact that Seoul is closer to the DMZ than Pyongyang, North Korea would have to pull back further than Seoul.

This proposal could be part of broader arms control negotiations that could include other tension-reduction initiatives. In negotiating a mutual pullback zone, the United States could propose that both sides be required to deploy all of their artillery in the open, everywhere in their respective territories, to facilitate inspection and to maximize the warning time that the South would have in the event of an attack in violation of the accord.

For North and South alike, it would be costly to relocate their forces in order to create a mutual pullback zone. As a U.S. Institute of Peace Working Group has observed, "international financial support will be necessary to cover certain costs associated with a Korean arms reduction process, including mutual troop and equipment reductions and repositioning."

## **Supporting North Korean Economic Development**

*As progress on resolving security issues moves forward, the United States should support economic regeneration and growth in North Korea and, in conjunction with this support, encourage North Korea to carry forward its recent economic reform initiatives with technical assistance from international financial institutions.*

Specific elements of such a policy could include:

- Support for economic cooperation between North and South Korea, including South Korean energy aid to the North.

- Revision of U.S. legislation and licensing regulations that would block North Korean exports to the United States, especially exports from projected North-South investment zones.
- Relaxation of the remaining U.S. economic sanctions imposed against North Korea during the Korean War.
- Support for exploratory dialogue between North Korea and international financial institutions designed to set the stage for discussions on the prerequisites for membership in these institutions and for dialogue on North Korean reform strategy. This would be followed by an assessment of the North Korean economy by the international financial institutions and by technical assistance to help the North design an effective reform program.
- Eventual steps toward membership in the World Bank, International Monetary Fund and the Asian Development Bank.
- Authorization for U.S. petroleum companies to conclude concession agreements with North Korea for seabed oil exploration and development in the Yellow Sea and to construct natural gas pipelines from Russia that would cross through North Korea to South Korea.
- Support for North Korean membership in regional economic forums.
- Support for regional arrangements, embracing North Korea, designed to promote expanded trade and investment links in Northeast Asia.
- Bilateral and multilateral credits that would enable U.S. mining companies to help modernize the North Korean mining industry, with payment in mineral products.

#### **Rationale**

A resolution of the nuclear crisis can be achieved only in the context of a broader rapprochement between North Korea, its neighbors in Northeast Asia and the United States that includes bilateral and multilateral economic cooperation. A stable North Korea, growing economically in cooperation with its neighbors and moving toward a market economy, is necessary for stability and security in Northeast Asia. Conversely, economic stagnation and collapse in North Korea could lead to destabilizing refugee flows, enormous reconstruction costs and war.

The economic reforms initiated by North Korea in July, 2002, indicated a desire to move toward a market economy. At the same time, they revealed a lack of the technical knowledge of past experience in other countries with similar problems necessary to make the reforms effective. Technical consultations with international financial institutions, when North Korea is ready for it, would maximize the chances for a successful reform effort.

The United States has until now discouraged South Korean energy aid to the North as part of its effort to press North Korea for a more stringent nuclear inspection regime. This policy should be ended in parallel with progress toward a verifiable denuclearization agreement with the North.

## **Reducing Migration to China**

*The United States and the international community should take urgent steps to relieve the plight of North Korean*

migrants into China and reduce the flow of future migration through humanitarian and economic assistance measures in North Korea.

Specific steps to implement this policy could include the following:

- China and North Korea should be encouraged to expand the access of humanitarian aid organizations to monitor and assist migrants in China and returnees to North Korea with food, medical aid and other needed assistance.
- China should be urged to declare a moratorium on the forced return of North Korean migrants and asylum seekers, pending a more durable and humane solution.
- North Korea should be urged to repeal all laws that penalize citizens for leaving its territory or returning without authorization.
- South Korea, China and North Korea should develop a joint program of targeted public and private investment in the poor border counties of North Hamgyong province in North Korea, where much of the migration originates. This program should be non-political in character, supervised by technical experts and managed multilaterally.
- The Chinese government should grant semi-resident status through a special visa to those individuals who can demonstrate that they have work and shelter. For those who are employed to carry out seasonal agricultural work but who can demonstrate that the employer is prepared to house and feed them year round, there could be an annual visa.
- The Chinese government should consider a one-time amnesty for the relatively low numbers of North Korean migrants that remain in China.

### **Rationale**

Mercy Corps, one of the leading U.S.-based humanitarian aid organizations operating in North Korea and the border areas of China, has estimated that from 50,000 to 150,000 North Korean migrants have crossed into China since 1997 in search of temporary food, shelter and survival assistance from the local ethnic Korean population living in China's Yanbian Autonomous Prefecture. The majority of these migrants cross the border illegally and are treated as illegal immigrants, subject to arrest, detention and deportation. Upon their return to North Korea, they are subject to penalties ranging from short-term detention to longer-term prison sentences.

These migrants are a highly vulnerable population in need of humanitarian aid and, in many instances, protection. Among the most vulnerable are unaccompanied minors, women, the elderly, medically needy and asylum seekers.

While most North Koreans in China are searching for temporary assistance, an increasing proportion seeks either long-term sanctuary in China or permanent resettlement in another country. Thus, the world faces a growing humanitarian tragedy on the Chinese-North Korean border that calls for urgent action to mitigate the suffering of the migrants and long-term measures to reduce the future flow as part of the broad process of engagement recommended by the Task Force.

Note: The above recommendations draw on proposals by Human Rights Watch in *The Invisible Exodus*, November, 2002, and by Hazel Smith, adviser to the U.N. World Food Program, in *North Koreans in China: Defining the Problems and Offering Some Solutions*, December, 2002.

# Notes of Dissent

## *Bradley Babson: The Future of the Agreed Framework*

I must dissent from the recommendation that the KEDO energy project be restructured to include continuation of one LWR power plant while adding conventional power generation and distribution investments to the package, for two reasons.

First, half a bad idea is still a bad idea. North Korea has lost credibility that it can maintain a nuclear program without seeking to cheat and build nuclear weapons capability, and a totally non-nuclear North Korea, including redeployment of the staff trained in this field, would be a much better non-proliferation outcome for the longer-term than permitting a continuation of a smaller but still significant nuclear program, even if directed towards power generation.

Second, I believe an important principle that needs to be introduced in the North Korean economy is economic efficiency and cost effectiveness. Whatever future energy assistance package is provided to North Korea should be determined on these criteria. A comprehensive energy sector study is needed to do this properly, as has been proposed by the European Union in the context of their nascent development assistance program.

What is most surely to emerge from such a study is that the economically efficient strategy for North Korea's energy sector will be a combination of rehabilitation of existing coal and hydropower generation facilities, new conventional power generation plants with a fuel determined by economic cost considerations (including a possible gas option), rehabilitation of the transmission grid with selective addition of new lines based on projections of future demand for power, and efficiency improvements in end-use power consumption.

A LWR is highly unlikely to be on the list of high priority energy investments under this type of normal energy sector planning. It is important that the international community and the U.S. send the right signals to North Korea about economic planning and management in whatever new energy assistance package is designed in exchange for political concessions from North Korea.

## *Ted Galen Carpenter: The U.S. Military Presence*

The Task Force recommendations regarding the U.S. military presence in South Korea are entirely too tepid. Instead of merely reducing its military profile, the United States should withdraw all of its forces from South Korea and terminate the mutual security agreement. The alliance with the Republic of Korea is a Cold War relic. It was created at a time when South Korea was war ravaged and faced not only a heavily armed North Korea, but a North Korea backed by Moscow and Beijing. Today, South Korea has a much larger population than North Korea and an economy that vastly outstrips its communist rival. Moreover, Russia and China have forged close ties with Seoul and would strongly oppose any renewed belligerence by North Korea. Under such circumstances, the ROK can build whatever forces are needed for its own defense, and it should cease being a U.S. security dependent.

Not only are the U.S. forces stationed in South Korea a tripwire for American involvement in any conventional conflict on the Korean Peninsula, they are now potential nuclear hostages. If North Korea is serious about becoming a nuclear weapons power—and the evidence increasingly points to that possibility—a continued U.S. military presence is profoundly dangerous. The United States should take steps to end its unnecessary and risky Korean entanglement as soon as possible.

### *Ellsworth Culver: Food Aid is Essential for North Korea*

Most experts agree the height of the North Korean famine was from 1996-97, during which the US responded quite appropriately with life-saving food assistance. In 1999 alone, this food aid helped to feed 2.7 million North Koreans. The worst of the famine appears to have subsided, but a chronic and killing food deficit persists, resulting in the ongoing stunting of vulnerable children and the slow decline of the ill and elderly. While Pyongyang appears in much better shape, time is running out for five to six million of the most vulnerable people who live far from the capital in the rugged eastern mountains or in the industrial cities. It is imperative that food aid reach this most vulnerable population.

The United States and its international partners should vigorously engage Pyongyang on the humanitarian agenda to ensure significant food aid reaches the North Koreans who need it most, which can best be accomplished by de-linking food contributions from the political agenda. Instead food should be offered on the basis on humanitarian need alone. following the maxim of President Reagan that "a hungry child knows no politics." We learned from previous efforts that linking food to a political agenda limits our ability to negotiate the access and monitoring regime that is critical to ensuring food reaches the most vulnerable.

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USAID, WFP and other donor agencies should jointly engage the North Koreans in negotiations that strive for monitoring standards more consistent with practices world-wide. Since the food program began, both the WFP and US NGOs have made some progress in improving our relationships and cooperation with North Korean representatives. With continued engagement and firm negotiations, further progress will be possible, such as achieving increased access, random visits, the provision by the DPRK of a list of all recipient institutions, and the routine inclusion of fluent Korean speakers on monitoring teams.

### *Peter Hayes: The Agreed Framework*

I do not agree with the suggestion that the Agreed Framework should be renegotiated to construct one instead of two light water reactors. The proposal is to substitute gas fired power stations, transmission grids, and fertilizer factories along a natural gas pipeline; and interim KEDO energy aid to the North pending completion of the reactor and the pipeline.

My reasons follow:

The old Agreed Framework energy *quid pro quo* for the DRPK giving up its nuclear fuel cycle activity was for the United States to deliver ½ a million tonnes of liquid coal (heavy fuel oil) per year and to provide two light water reactors. The HFO was worth (at most) about \$100 million per year to the North Koreans (arguably, they gave up an equivalent value of their own making by not completing and operating their own reactors for the same energy equivalent as the HFO). The implicit subsidy on the concessional financing for the LWRs from KEDO amounts to about (discounted and annuitized) \$200 million per year once these plants are operating.

If the Bush Administration is not going to pay for HFO or any other energy aid itself (my understanding of their position), and the KEDO project is to be cut in half, then we realistically are only going to provide \$100 million per year of LWR subsidy once one reactor is operating. The North Koreans would lose about \$200 million per year of energy support from the old Agreed Framework.

In return, they are to get the long-term prospect of a privately financed and operated natural gas pipeline that may never be built for reasons of uncertainty about the future of the DPRK combined with the uncertainty about the future growth of ROK natural gas demand; and unspecified "interim KEDO energy aid" pending completion of the reactor and the pipeline.

At most, this interim energy aid provided by non-US sources might substitute for part of the HFO value—the likely source being ROK electricity export to the DPRK to sites such as the proposed Kaesong Development Zone; and in the long-term, energy development financed by Japanese reparations made available via the World Bank or some other intermediary and applied to the DPRK's energy needs. The DPRK could anticipate getting both of these subventions in any case—so it's not clear that they are doing more than giving up two thirds of the energy value provided in the Agreed Framework *and* the political-military value of their home-grown nuclear capacities (measured in terms of reduced need for and therefore cost of conventional forces etc) in return for little marginal gain. There's certainly little reason to believe that \$1-200 million of non-LWR "interim" energy assistance would be forthcoming from any supplier in the short or medium term.

The reason for doing this given in the report is that it enables the Administration to do an end-run around Republican opponents. This is a weak reason, not least because these same critics will oppose one reactor on proliferation and political grounds as vociferously as they attacked two.

Also, the light water reactors do not represent a mismatch with the DPRK's energy needs for the simple reason that they can never be operated on the DPRK electric grid, for reasons of safety and reliability. The only way to operate them is to tie them into either the ROK grid as an "LWR island" exporting their output to the ROK; or to tie them into a regional connection between the ROK utility and the Russian Far Eastern power system. Thus, although I agree with Brad Babson that LWRs are a bad way to provide power for DPRK energy needs, this is a moot point at this stage as they could not be used to meet DPRK energy needs but only as a prefiguring of the structural shift to export orientation that lies ahead for the DPRK if its economy is to recover.

As export-oriented power plants that incidentally resolves a major geopolitical and nuclear crisis and happen to pay for themselves and earn significant rent for the DPRK, the LWRs make sense. If you are going to build one, you may as well build two. And for all the reasons adduced above, building one doesn't look attractive from a DPRK perspective.

### *Amb. Robert L. Gallucci: The Nuclear Crisis*

First, I do not think we can settle for pledges from the North Koreans on the key nuclear issues at this point. We should be prepared to return to the Framework, provided the North agrees to accept (1) verified dismantlement of their uranium enrichment program, (2) the additional protocol to IAEA INFCIRC 153, and (3) future Agency requests for special inspections. This would allow significantly better monitoring of the North's basic commitment not to pursue secret nuclear activities, and is entirely appropriate in light of the North's initiation of a secret nuclear program notwithstanding its basic commitment under the Agreed Framework. In addition, we should seek the immediate shipment out of North Korea of the spent fuel that accumulated from research reactor operations so as to remove the most dangerous element in the current nuclear equation. This would be "getting a lot" for which we should be willing to "give a lot."

Second, I do not think we should retreat from our willingness to provide the two LWRS described in the framework. However, if the North Koreans are willing to give up one or both reactors in favor of conventional plants, and the South Koreans and Japanese agree to the switch, we should indeed make that trade.

Third, we should not initiate any discussion of reducing or even reconfiguring our forces in South Korea in

the midst of a nuclear crisis with North Korea. We should engage the South on that issue whenever they wish to pursue it with us, or start the discussion ourselves only when it could not be seen as evidence of a diminished commitment to the South's security.

Finally, we should not remove the possible use of force from options we would consider, together with our allies, in order to deal with the threat posed by the North's nuclear weapons program.

### *James E. Goodby: The Agreed Framework*

- North Korea's breach of the Agreed Framework and of earlier ROK-DPRK agreements may not, as the report states, "establish that North Korea cannot be trusted to carry out a new accord." But it does suggest that North Korea cannot be trusted to carry out *those kinds of accords*, i.e., those narrowly focused on nuclear weapons. For that reason, I support a comprehensive settlement of major issues in the Korean peninsula. I understand that this is also the posture adopted in the report.
- I do not subscribe to the idea of renegotiating the Agreed Framework, although I would accept its temporary reinstatement. I believe that Framework is in urgent need of being superseded by a more comprehensive agreement that *inter alia* includes broader verification provisions.
- I do not agree that a proper U.S. response to Kim Jong Il's acquisition of a nuclear weapons arsenal would be "renewed efforts to alleviate North Korean security concerns and to keep the door open for improved relations." In fact, I believe almost the opposite.
- I have reservations concerning the report's tentative endorsement of the "Mutual Security Assurance Commission" proposed by the DPRK. I believe that new organizations should be based on a demonstrated need for them and be derived from functions inherent in new security or other agreements with the DPRK. In particular, those agreements might include new roles for U.S. forces in and around the Korean peninsula. I believe very strongly in efforts to improve the living conditions and the human rights of Koreans living in the North and of those who have fled the North. I support the ideas in this report that would promote those goals. Those ideas may have the practical effect of reducing incentives to migrate. But I do not believe that this should be the basic rationale for trying to improve the lot of the North Korean people.

### *Brig. Gen. James F. Grant: The Option of Preemption*

I agree with the general analysis and recommendations of this report, but I take exception in two areas:

- I believe that the US must retain the possibility of preemptive military action against North Korea under certain conditions, and therefore I disagree with the categorical Task Force position that it opposes preemptive military action against North Korea. It should only be used as a last resort, and be fully coordinated with our South Korean allies in advance, but we should not rule that option out so completely.
- I think that in adjusting or lowering our military profile in South Korea we must be very careful that the South Korean government and people are assured of our continual military commitment to defend them from attack whenever they need us. We therefore must carefully work out in advance with South Korea the conditions under which we might choose not to react to North Korean military initiatives against the South. We also need to distinguish between immediate ground force involvement and other immediate activities such as air operations, and intelligence support.

*David Shambaugh: The Possibility of Collapse*

I fully concur with the broad thrust, recommendations, and the vast majority of analysis offered in this consensus Task Force Report. However, there are two elements with which I cannot agree and cannot endorse these elements of the report.

The first concerns the *possibility* of implosion and collapse of the North Korean regime and political-economic system. In several places the report dismisses this possibility, and in one place even asserts that the Clinton administration "was confident that the Pyongyang regime would collapse." I believe that implosion/collapse is indeed a possibility—and to deny and dismiss this possibility out of hand is not empirically or analytically appropriate. To take seriously this possibility—which, in my judgment, is higher today than ever before—is by no means to *predict* implosion/collapse. Nor is it to advocate that policy be based upon such a possibility. It is not a prediction, but simply a possibility that should not be ruled out. Having witnessed the implosion and collapse of other communist party-states in the former Soviet Union, Mongolia, and Eastern Europe, as well as a number of authoritarian states, it makes little sense to dismiss this possibility in the (dire) case of North Korea.

The second issue with which I wish to dissent is more controversial, and concerns the issue of a preemptive strike against North Korean nuclear (weapons) facilities. The report notes that "A minority of Task Force members feels that there is one contingency in which preemptive action might have to be considered: if clear evidence establishes that North Korea is transferring fissile material to third parties..." I concur that this scenario would justify preemptive action, but there may be others as well—and I do not believe that it behooves U.S. policy (or the Task Force report) to take this option off the table unilaterally.



# The Task Force on U.S.-Korea Policy

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