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The North Korean Nuclear Crisis:
Addressing the Problem with Carrots and Sticks

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Nathan Hale's Policy Background and Options Papers address contemporary issues facing the U.S. government in an effort to stimulate constructive discourse about American foreign affairs and to provide timely and effective policy analysis and recommendations.

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*"We should never negotiate from fear, but we should never fear to negotiate."
President John F. Kennedy*

1. EXECUTIVE SUMMARY

Currently, the most pressing threat to international security lies not in the sands of the Middle East but along the shores of the Korean Peninsula. If North Korea is allowed to go nuclear, then the fabric of global stability as we know it will be severely ruptured; Asian powers will recalibrate their security interests with regards to nuclear proliferation, and the threat of horizontal proliferation among nation-states and terrorist groups alike will be unleashed. As the Bush Administration knows all too well, the North Korean nuclear crisis is rapidly approaching a foreign policy "tipping point." The fate of this crisis will be wholly informed by the policy strategy that the Bush Administration chooses to employ. The current hard-line stance put forth by the Administration, in which Washington is refusing to grant any concessions until its demands are completely met, increases the precariousness of the situation by prolonging and perhaps stagnating any hopes of an eventual diplomatic compromise. This paper contends that the alternatives to a diplomatically negotiated settlement are becoming increasingly unattractive over time. In particular, the shortcomings of military strike options, the pitfalls of economic strangulation, and the unforeseen consequences of "waiting it out" all pose severe threats to U.S. security interests. The plan put forward in this paper will help resolve the North Korean nuclear crisis without unduly compromising U.S. security or undermining American prestige in the Northeast Asian region.

2. THE ISSUE IN FOCUS

In a meeting between top U.S. and DPRK officials in October 2002, the North Korean government openly admitted to cultivating two secret nuclear weapons programs – one based on plutonium, the other highly enriched uranium.¹ This declaration carried with it a powerful message—North Korea was prepared to face the consequences of violating both the Nuclear Non-Proliferation Treaty (NPT), which it signed in 1985, and the 1994 Agreed Framework in which the DPRK had promised to freeze its nuclear weapons program.² Pyongyang stated that it was simply attempting to protect its sovereignty against an increasingly imperialist and hostile American threat. Sparked by the Bush administration's classification of North Korea as part of the "axis of evil" and a hard-line U.S. foreign policy, North Korea took a more aggressive posture of its own.³

Since the events of October 2002, North Korea has expelled U.N. weapons inspectors from its country, withdrawn from the NPT, restarted its nuclear reactor in Yongbyon, and completed separating plutonium from 8,000 spent fuel rods that had been sealed for the past nine years.⁴ But perhaps the most frightful advancement thus far has been North Korea's

¹ Kim, Suk Hi. North Korea at a Crossroads, Jefferson, NC: McFarland and Company Inc., 2003, p. 18; Bolton, John R., "A Dictatorship at the Crossroads," Remarks at the South Korean East Asian Institute, July 31, 2003.

² Berger, Samuel R. and Robert L. Gallucci, "Shut Down North Korea's Nuclear Wal-Mart," The Wall Street Journal, May 14, 2003.

³ Roy, J. Stapleton, "The North Korean Nuclear Crisis: The China Dimension," Remarks at a panel sponsored by the Stanford Asia/Pacific Center, December 1, 2003 (summary provided in Appendix D).

⁴ Berger and Gallucci, "Shut Down North Korea's Nuclear Wal-Mart."

August 2003 claim that it has successfully developed nuclear weapons, has the means to deliver them, and will soon demonstrate this capability through a nuclear test.⁵

Since October 2002 there has been one three-party talk, which took place in April 2003 in Beijing involving the U.S., China, and North Korea. There has also been a six-party talk, which took place in August 2003 and involved the U.S. and the five major Northeast Asian Powers centered around the nuclear weapons issue. These talks, however, have not only proved ineffective, but have further escalated tensions as both the U.S. and North Korea seem unable to resolve their differences on the nuclear issue.⁶

The problem, it appears, is that neither side is willing to budge. North Korea has acquired its nuclear weapons in the belief that these weapons will ensure its survival in the face of a Bush Administration that has demonstrated a predilection for pre-emptive action and has already classified North Korea as part of an “axis of evil.”⁷ Washington has repeatedly stated that it will not give in to North Korea’s “blackmail” by rewarding the DPRK’s bad behavior and satisfying its demands.⁸

However, as Kenji Hiramatsu, former Director of the Northeast Asia Division of the Japanese Foreign Ministry of Foreign Affairs, argues, “North Korea is a small mouse in a small dark room, and it will react to even the smallest sounds.”⁹ The current “no-compromise” policy towards North Korea is not working and will not work as this crisis unfolds.¹⁰ The hard-line American stance against North Korea is made infinitely more debilitating when viewed in light of the value that North Korea attaches to its nuclear weapons program. In a state of economic disaster, North Korea views itself at a crucial turning point. In North Korea’s eyes, nuclear weapons capability will not only bring increased probability of deterring attack,¹¹ but, if leveraged strategically, also economic aid benefits from the United States. In light of the benefits that nuclear capability brings, North Korea views its nuclear weapons capability as the key to its survival on both security and economic fronts.¹² This mindset directly clashes with the Bush Administration’s hard-line stance, making it unlikely that North Korea will give up its nuclear weapons in the face of U.S. accusations of blackmail.

The current situation is one brimming with uncertainty. The next rounds of six-nation talks have already begun, but the fate of the talks has yet to be written. It is essential that this crisis be addressed with a sense of urgency.¹³ It is time for a new foreign policy strategy for dealing with North Korea. This strategy must recognize that the United States will benefit from

⁵ Roy, Panel on “The North Korean Nuclear Crisis,” Appendix D.

⁶ Yun, Philip, Kim Won-Soo, and Kenji Hiramatsu, “The North Korean Nuclear Crisis: Perspectives from the Three Allies,” Remarks at a panel sponsored by the Stanford Asia/Pacific Center, November 22, 2003 (excerpts provided in Appendix B).

⁷ Romero, Judith, “No Good Way to Deal with North Korea’s Nukes,” Stanford Report, October 22, 2003.

⁸ Bolton, “A Dictatorship at the Crossroads.”

⁹ Hiramatsu, Panel on “The North Korean Nuclear Crisis,” Appendix B.

¹⁰ O’Hanlon, Michael E. and Mike Mochizuki, “Toward a Grand Bargain with North Korea,” The Washington Quarterly, Autumn 2003.

¹¹ Sagan and Sneider, “War’s Lessons Differ for U.S., North Korea.”

¹² Romero, “No Good Way;” Yi, Matthew, “Experts See North Korea’s Threat as a Ploy,” San Francisco Chronicle, January 11, 2003; O’Hanlon, Michael E., “Think Bigger on North Korea,” Washington Post, September 17, 2003.

¹³ Ashton B. Carter and William J. Perry, co-directors of the Preventive Defense Project, state compellingly that, “Once nuclear weapons material are made – either plutonium or enriched uranium, they are exceedingly difficult to eliminate. They last for thousands of years.” Carter and Perry, “Washington Post Outlook.”

coordinating a more moderate policy with its allies in Japan, South Korea, and China. In continuing the ongoing rounds of six-party talks, the United States should come to the negotiating table and be serious about offering an alluring but tough package deal to North Korea with both “carrots” and “sticks.” Dialogue and compromise through a careful coordination with our allies is the only way to resolve this situation in a way that will salvage what is left of American moral and authoritative legitimacy in the international arena.

3. RECENT EVENTS

Recently, the Bush administration has begun to show a greater degree of flexibility toward the DPRK. In late 2003, Washington announced that it would consider a written security assurance to North Korea and agreed in principle to participating in ongoing rounds of six-party talks. In February of 2004, the United States, China, South Korea, Russia and Japan held the second round of talks in Beijing aimed at persuading Pyongyang to give up its nuclear program. The six parties cited progress; they all expressed a commitment to “institutionalizing” the negotiations process, setting up a “working group” to discuss remaining issues, and agreeing to a third round of talks later this year.

Nevertheless, the talks ended without an agreement, but with what North Korea called “key differences” between Washington and Pyongyang.¹⁴ The current situation reflects an apparent stubbornness and distrust on both sides; with regards to the United States, it reflects an unwillingness to make serious strides to resolve the nuclear crisis through compromise. The U.S. has continually claimed that it will not give in to blackmail and will not set the precedent of negotiating to threats. It further claims that it will not offer a good deal to North Korea until North Korea first take steps to dismantle its nuclear program completely, verifiably, and irreversibly.

The response by the DPRK has been anything but receptive. In a dispatch carried on March 8, 2004, by the country’s official KCNA news agency, North Korea stated that if Washington continues to push for its demands of complete, verifiable, and irreversible dismantlement, then North Korea will present its own counter-demands of a complete withdrawal of U.S. military stationed in South Korea in a verifiable manner, and also a complete, verifiable and irreversible security guarantee (which Washington strongly opposes).¹⁵ With the future of Northeast Asian stability hanging in the balance, the question becomes simple; which country will be the first to embrace true compromise.

4. BACKGROUND & ANALYSIS

4.1 Nature of the DPRK Regime

Following the end of the Korean War, North Korea cultivated its identity on an ideology of “juche,” which emphasizes “national self-reliance, independence, and worship of the supreme leader.” This guiding principle of “juche” lies at the center of both North Korea’s economy and its political system. “Juche” sculpts North Korea’s economic system in that it dictates that all means of production are owned solely by the state and cooperative organizations. The principle of “juche” has also impacted the nature of North Korea’s political regime. North Koreans are forced to “engage in endless study and self-criticism” so as to be “loyal to the leader and party indefinitely.” The North Korean people have never experienced

¹⁴ “Powell: U.S. 'patient' on N. Korea.” [CNN News Wire](#), March 9, 2004.

¹⁵ “N. Korea threatens new demands,” [CNN News Wire](#), March 8, 2004.

“political or social freedom” and are effectively cut off from all outside information about the world. This type of brainwashing has cultivated a North Korean cult in which the country’s leader, Kim Jong Il, is accorded god-like status.

Moreover, the DPRK formulates unified and detailed plans to guarantee a “high rate of production growth and balanced development of the national economy...and that socialist production relations are based upon the foundation of independent national economy.” This centrally planned economic system, however, has wrought destruction upon the people of North Korea. As former socialist countries such as China and the Soviet Union have turned to market reforms in the face of economic disaster, North Korea has kept to its “juche”-guided economic system. The result has been a country that is unstable, arguably “close to collapse,” and suffering from disease and starvation.¹⁶

4.2 The North Korean Nuclear Program – Past U.S. Foreign Policy

4.2(a) *The Cold War Era*

To this day, South Korea and North Korea remain in a technical state of war. Although an armistice agreement between the two countries ended three years of intense fighting during the Korean War (1950-1953) and established a demilitarized zone along the 38th parallel, the two countries have to date failed to negotiate the establishment of a peace treaty. Following the Korean War, the United States adopted a foreign policy of “military containment, diplomatic isolation, and economic sanctions against North Korea” and signed a 1953 security treaty with South Korea in order to maintain its anticommunist containment policy and prevent the outbreak of another war. The Korean Peninsula can fairly be described as one of the last surviving struggles of the Cold War.

4.2(b) *Post-Cold War to Post-9/11*

North Korean ambitions for nuclear weapons began back in the 1950s to counter the lingering threats posed by both South Korea and the United States. After obtaining a small research reactor from Russia, North Korea began assembling the necessary elements for a nuclear weapons program and later began construction on a larger reactor at Yongbyon. Upon discovery of the activities at Yongbyon in 1984, North Korea was pressured by Moscow and the U.S. to join the NPT in 1985. In the early 1990s, however, a series of positive developments among North Korea, South Korea, and the U.S. began to take form, laying the foundations for increased stability within the region. The United States withdrew its tactical nuclear weapons from South Korea in 1991, the DPRK signed a nuclear safeguard agreement with the International Atomic Energy Agency (IAEA), and Pyongyang allowed its nuclear facilities to be inspected six times between May 1992 and January 1993.¹⁷

These positive signs of mutual cooperation, however, were stalled when the U.S. and South Korea conducted “Team Spirit” war exercises that frightened North Korea, causing North Korea to make threats at reactivating its nuclear program. The paranoid North Korean response to the war exercises precipitated a nuclear crisis. North Korea announced its plan to withdraw from the NPT in March 1994, shut down its 5-megawatt reactor in May to unload fuel rods, and deny IAEA inspectors access to its military sites. Fortunately, the crisis ended with North Korea agreeing to the terms set forth under the 1994 Agreed Framework in which North Korea pledged to abandon its nuclear program ambitions and remain in the NPT in return for

¹⁶ For a slightly more detailed overview of the modern history and politics of North Korea, see Kim, North Korea at a Crossroads, pp. 11-18.

¹⁷ Ibid., p. 15.

economic aid. The terms of the agreement were such that the U.S. agreed to supply North Korea with two light water reactors for energy, interim deliveries of oil, and expanded contacts with the U.S. and other powers. North Korea, in return, shut down its main yongbyon reactor and reprocessing facility and allowed repeated IAEA visits.¹⁸

After the conclusion of the 1994 Agreed Framework, relations between North Korea and the rest of the world began shifting away from “confrontation to cooperation.” According to Kim Suk Hi, North Korea’s actions during the period “gradually improved its relations with South Korea, Japan, and the U.S. in the military, diplomatic, and economic fields.”¹⁹ For example, North Korea was beginning to demonstrate a willingness to improve and perhaps normalize relations with its neighboring South Korea. In June 2000, the first ever DPRK-South Korea Summit took place in which both Kim Jong Il and South Korean leader Kim Dae Jung met to demonstrate a commitment to positive relations on the Korean Peninsula.

Relations between North Korea and the U.S. were also at a high during the end of the Clinton administration, as indicated by an unprecedented visit by Secretary of State Madeleine Albright to Pyongyang, the highest U.S. official to travel to the DPRK. However, North Korea’s policy began to take on more confrontational tones in response to changes in U.S. foreign policy towards North Korea.²⁰ In his State of the Union Address on January 29, 2002, President George W. Bush labeled North Korea as one of three “rogue states” making up the world’s “axis of evil” because their military policies and support of other groups threatened U.S. security. J. Stapleton Roy, former U.S. Ambassador to the People’s Republic of China, argues that the “unintended consequences” of Bush’s State of the Union Address have dramatically altered the nature of U.S.-North Korean relations, causing North Korea to be “extremely paranoid at the possibility of a pre-emptive U.S. invasion on North Korean soil.”²¹

4.3 Recent U.S. Policy toward North Korea

4.3(a) *The Bush Administration Policy*

The Bush Administration’s policy towards North Korea calls for Pyongyang to dismantle its nuclear weapons program in a complete, verifiable, and irreversible way. The Administration maintains that it is North Korea that is the one slowing down, and perhaps undermining, further progress. The Administration claims that it has made its stance very clear; it is pursuing a peaceful diplomatic solution to the nuclear crisis and is prepared to provide security assurances to North Korea (short of a security treaty), but the Administration first needs to see the DPRK fully agree to Washington’s demands of CVID (complete, verifiable, and irreversible dismantlement). Washington has stated that it will not offer anything until North Korea makes the first move.

4.3(b) *Coordination with Allies*

¹⁸ Carter, Ashton B. and William J. Perry, “Washington Post Outlook Section,” Washington Post, October 20, 2002; Kim, North Korea at a Crossroads, p. 17.

¹⁹ Kim, North Korea at a Crossroads, pp. 12, 30.

²⁰ Personal Interview with Michael Armacost, December 1, 2003 (excerpts provided in Appendix C); Personal Interview with Daniel I. Okimoto, November 18, 2003 (excerpts provided in Appendix A); Roy, Panel on “The North Korean Nuclear Crisis,” Appendix D; Gi-Wook Shin, Panel on “The North Korean Nuclear Crisis,” Appendix B.

²¹ Roy asserts that the impact of North Korea’s paranoia towards perceived “hostile” U.S. policy have manifested themselves in the events that have since unfolded. Roy, Panel on “The North Korean Nuclear Crisis,” Appendix D.

The inconsistency among the policies of the U.S., China, and South Korea, have also made it difficult for the parties involved to align their strategies and approach the North Korea situation with a united front. The U.S.-South Korean relationship has been particularly strained by the crisis. Daniel Okimoto, Senior Fellow for Stanford's Institute for International Studies, states:

The U.S. needs to recognize that it is the defense and security of South Korea that is at stake here. If a war breaks out, South Korea will be the one to feel the brunt of it...The U.S. should not be trying to take the lead ahead of South Korea... It all comes down to a matter of respecting South Korean needs and interests and a willingness on the part of the U.S. to allow South Korea to maintain its own national interest.²²

The United States clearly needs to take a lead in developing multilateral consensus on how to resolve the problem. Recent events have shown that this process may be underway. The Administration has stated that China, South Korea, Japan, and Russia have joined it in saying that the ultimate goal should be CVID of the DPRK's nuclear program. The five parties have also all agreed to moving forward in "working groups" with North Korea to solve the nuclear crisis and are committed to continuing the six-party talks.²³

4.4 The Implications of a Nuclear North Korea

In light of North Korea's expanding capabilities in nuclear development, there seem to be several major problems that reveal the severity of the North Korean nuclear crisis. A nuclear North Korea would rupture the fabric of stability within the Northeast Asian region and pose catastrophic threats to U.S. security interests. First, the DPRK could menace the United States and its interests directly. There is a relative consensus among specialists in North Korea and the U.S. that if North Korea proceeds with reprocessing its plutonium, it could produce enough plutonium for six nuclear bombs within six months. If North Korea completes reconstruction of the two uncompleted nuclear reactors, it could be in a position to produce enough plutonium for thirty nuclear bombs, or even the bombs themselves, within a few years.²⁴

Second, a nuclear North Korea would probably compel neighboring powers such as Japan, South Korea, and even Taiwan, to struggle frantically to acquire their own nuclear weapons, spurring on a Northeast Asian nuclear arms race.²⁵ In an effort to protect its own security interests, each Northeast Asian nation would try to balance the power shift brought on by a nuclear North Korea by acquiring its own nuclear arsenal so as to deter attacks on its own soil. However, what would begin as an effort to protect oneself from a nuclear North Korea would soon turn into an effort, for example, by Taiwan or Japan to acquire nuclear weapons to protect its security interests from a rising China. In addition to adding insecurity to the Northeast Asian region, such an arms race would also drain the domestic resources of each country, ultimately undermining each country's economic well-being.

Third, North Korea could, as it has threatened to already, sell nuclear weapons material to terrorists on the black market.²⁶ Scott Sagan and Daniel Sneider argue that North Korea is a

²² Okimoto Interview, Appendix A.

²³ "Powell: U.S. 'patient' on N. Korea," *CNN News Wire*, March 9, 2004.

²⁴ Berger and Gallucci, "Shut down North Korea's Nuclear Wal-Mart."

²⁵ Sagan, Scott S. and Daniel Sneider, "War's lessons differ for U.S., North Korea," *Mercury News*. 27 April 2003; Carter, Ashton B. and William J. Perry, "The Crisis Last Time," *The New York Times*, January 19, 2003; Romero, "No Good Way."

²⁶ Okimoto Interview, Appendix A; Shin, Panel on "The North Korean Nuclear Crisis," Appendix B; Armacost Interview, Appendix C.

desperately poor nation apparently willing to sell anything. Its “legitimate business exports” totaled an estimated \$650 million last year; its state-run drug smuggling operation totaled \$500 million to \$1 billion, and anti-ballistic sales an additional \$560 million. Would secret sales of nuclear weapons come next? Philip Yun, Vice Chairman of China Vest and former architect of the 1994 Agreed Framework, also notes that “the amount of plutonium required to make a nuclear bomb is about the size of a softball. If North Korea is desperate enough, it will sell its nuclear weapons material to the highest bidder and there is absolutely nothing the U.S. will be able to do about it.” One does not have to think long to fully grasp the implications of this consequence on American security.²⁷

Fourth, a nuclear North Korea could lead to miscalculation on the part of North Korea to think that it can use its weapons to “threaten or bully” the United States, making the outbreak of war along the Korean Peninsula even more likely. The military standoff on the 38th parallel is kept in a delicate peaceful balance due to stationed U.S. military presence along the border.²⁸ Because North Korea has historically expressed a desire to “reunite” the two Koreas in the formation of one Korea, possessing a nuclear arsenal could embolden North Korea to take more aggressive actions to “test” the commitment of the U.S.²⁹ This level of uncertainty would seriously jeopardize U.S. security interests by possibly dragging the U.S. into a war in defense of South Korea along the Korean Peninsula.

Fifth and finally, a nuclear North Korea poses what is called a “loose-nukes problem.” Essentially, North Korea’s economy is in trouble; it is common knowledge that the state is close to collapsing under its own misguided economic policies. The problem this poses to U.S. security, however, is that if North Korea collapses with nuclear weapons, then these weapons will be “let out into the open.” The chances that these weapons will fall into the wrong hands are “very high.”³⁰ This potential scenario makes the problem of a nuclear North Korea infinitely more dangerous. The resolution of the problem is made all the more difficult by the deeply ingrained distrust that North Korea harbors towards the United States. North Korea has been put on especially high alert since President Bush placed it in the “axis of evil,” and since the invasion of Iraq Pyongyang has consistently branded the United States as an aggressive, imperialist power.

5. POLICY OPTIONS & PROPOSAL

The United States faces a grave problem along the Korean Peninsula. If current efforts do not produce the desired results, the Administration has several ways of potentially dealing with the crisis. The strengths and shortcomings of four major approaches are discussed below.

5.1 Economic Sanctions

If U.S. efforts at maintaining a hard-line stance against North Korea (through empty demands that North Korea abandon its nuclear ambitions) fail to produce the desired result, the U.S. could, in keeping with its hard-line stance, impose pressure on the DPRK in the form of economic sanctions. This policy would entail demanding that North Korea abandon its nuclear ambitions and eliminate its nuclear weapons building capability or else the U.S. would force it

²⁷ Yun, Panel on “The North Korean Nuclear Crisis,” Appendix B. The impact of nuclear sales to terrorist groups such as Al-Qaeda dramatically raises the stakes of the current nuclear crisis on U.S. security interests. Carter and Perry, “The Crisis Last Time.”

²⁸ Yun, Panel on “The North Korean Nuclear Crisis,” Appendix B.

²⁹ Carter and Perry, “Washington Post Outlook.”

³⁰ Yun, Kim, and Hiramatsu, Panel on “The North Korean Nuclear Crisis,” Appendix B.

to do so through economic stangulation and isolation. This recourse would be consistent with the U.S.'s current hard-line policy towards North Korea (that the U.S. will not offer any benefits package until the North first shut down its nuclear weapons facilities). The benefits of this policy would essentially be that the U.S. maintain its principles in not "rewarding bad behavior." Moreover, such a policy would also send the message to the world community that the U.S. will not succumb to blackmail.

However, this course of action has several deficiencies, two of which are most relevant for the discussion at hand. First, in order for the U.S. to effectively strangle North Korea through economic pressure, it needs to garner the cooperation of Japan, South Korea, and China in following suit. The reason is that the U.S. currently does not export a significant amount of food aid or goods to North Korea. In fact, China is North Korea's largest supplier of food and fuel aid, with South Korea trailing behind it as a supplier of food.³¹ In order for economic sanctions to have the desired effect of economic stangulation, therefore, the U.S. would need to secure the support of China and North Korea for such a policy.

It is not likely, however, that either South Korea or China will follow this course of action. South Korea, for one, is extremely worried about the possibility of North Korea collapsing. If such an event were to occur, South Korea would have to use 30% of its GDP to support North Korea;³² this is not sustainable for South Korea's economy. Armacost argues that "the South Koreans would probably flake out [on a policy of economic sanctions] because they assign a higher priority to stability in the region."³³ Moreover, the internal dynamics of intra-Korean relations would prevent South Korea from imposing economic sanctions on the DPRK. Most South Koreans are disenchanted by the apparent aggressiveness that Washington is displaying in dealing with North Korea.³⁴ In fact, the growing swell of anti-Americanism in South Korea, the same anti-Americanism that swept current South Korean President Roh Moo-hyun into office, is magnified by South Korean sentiments of sympathy for the North.³⁵ South Korea views North Korea as country that needs to be helped, not a country that needs to be strongarmed.³⁶

Moreover, it does not seem as if China will agree to impose economic sanctions on North Korea either. China has several concerns towards a policy of economic strangulation. First, if North Korea were to collapse, China would experience a massive influx of refugees fleeing across its borders into northern China.³⁷ This concern makes China apprehensive to an aggressive policy that may risk North Korean economic collapse. Second, the Chinese have historically expressed a priority in helping to maintain North Korea's sovereignty because North Korea was its steadfast ally when China needed it most after the Chinese Communist

³¹ Trei, Lisa, "China Can Help Defuse the Nuclear Crisis," Stanford University News Service, January 21, 2003.

³² Romero, "No Good Way."

³³ Armacost Interview, Appendix C.

³⁴ Laney, James T., "How to Deal With North Korea," Foreign Affairs, March/April 2003, pp. 16-31.

³⁵ Mi-Hyung Kim, founding member of South Korea's Millenium Democratic Party, argues that "South Korea thinks Bush is a bigger threat than the nuclear weapons thirty five miles to the North...This sentiment has been made worse by the failure of the US to explain its policies to the SK people." Mi-Hyung Kim, Remarks at a Panel entitled, "It's a Mad, Mad World: Prospects for Security, Diplomacy, and Peace on the Korean Peninsula," Stanford Law School, October 22, 2003. See also Romero, "No Good Way."

³⁶ Armacost, Michael, Daniel I. Okimoto, and Gi-Wook Shin, "Addressing the North Korea Nuclear Challenge," Stanford University Asia/Pacific Research Center, April 15, 2003.

³⁷ Roy, Panel on "The North Korean Nuclear Crisis," Appendix D.

Revolution in 1949.³⁸ While China does fear the consequences that a nuclear North Korea would bring to the region, it also has a vested interest in supporting its ally in North Korea. Therefore, the U.S. would be hardpressed to garner the support of China in pursuing a policy of economic sanctions without first pursuing another more peaceful policy option.

Perhaps the more serious problem with a policy of economic sanctions is not the infeasibility of its implementation (as suggested above) but the actual consequences such a policy would wreak. The current state of North Korea's economy is one of extreme instability. If economic sanctions were actually successful in strangulating the flow of outside resources into North Korea, then the DPRK would be in a desperate position with its survival on the line. Moreover, Columbia University Professor Stephen Linton argues that the U.S. should "avoid threats to [North Korea's] national existence and social cohesion."³⁹ As a regime desperately clinging to power, the North Korean government will view with suspicion any policy options that seem to hasten its end. It may take drastic measures in response.⁴⁰

The danger is that North Korean officials have repeatedly stated that the DPRK will sell its nuclear weapons material if forced into such a position.⁴¹ The risk of nuclear weapons material falling into the hands of terrorists poses a tremendous hazard for U.S. security interests. Therefore, the hard-line policy of economic sanctions would not only be implausible but could also seriously undermine U.S. security.

5.2 The Military Strike Option

Many policymakers have expressed that the potential dangers of a nuclear North Korea outweigh the consequences that would come about as a result of a military strike on selective nuclear targets in North Korea. Such a military option was considered during the Clinton administration's preliminary discussions of the policy options available to the U.S. in the 1994 nuclear crisis.⁴² This military policy option, if carried out with precision and accuracy, would solve the problem of a nuclear North Korea in that it would completely destroy the North Korean nuclear facilities, eliminating the threat of a nuclear North Korea.

This option, however, suffers from two serious debilitations. First, there is no way to be sure that a selective military strike would account for all of North Korea's nuclear weapons material. Although strikes would effectively be carried out on North Korea's nuclear facilities—or at least the ones U.S. intelligence knows about—the plutonium necessary to make one nuclear weapon, as many academics have acknowledged, comes in the sizes of grapefruits and softballs.⁴³ At that point, a military strike on North Korea's facilities would not account for "secret" storage or placement of nuclear weapons material throughout North Korea.⁴⁴ The fact is that the U.S. does not have reliable intelligence in North Korea. Inspectors have been kicked out and North Korea has shut off contact with the international arena in terms of divulging classified information about the production and storage of its nuclear weapons material. The U.S.'s lack of intimate knowledge about North Korea's nuclear capabilities and storage make even a selective military strike on North Korea too risky. Such an action may drive North Korea to sell the nuclear weapons material that the U.S. military strikes "miss" and thus further jeopardize U.S. security.

³⁸ Okimoto Interview, Appendix A; Roy, Panel on "The North Korean Nuclear Crisis," Appendix D.

³⁹ Mazarr, North Korea and the Bomb.

⁴⁰ See "Stop Threats, N. Korea tells U.S.," CNN News Wire, November 17, 2003.

⁴¹ Armacost, Okimoto, and Shin, "Addressing the North Korean Nuclear Challenge."

⁴² Carter and Perry, "The Crisis Last Time."

⁴³ Yun, Panel on "The North Korean Nuclear Crisis," Appendix B.

⁴⁴ O'Hanlon, Michael E., "A Master Plan to Deal with North Korea," January 2003.

Second, a military strike on North Korea would undoubtedly set off shock waves in North Korea, causing the government to send its one million man army down across the 38th parallel and into South Korea.⁴⁵ The army would reach Seoul within an hour and wreak havoc on the suburbs of Seoul.⁴⁶ The U.S. and South Korean forces would demolish the North Korean forces, but would do so at the cost of hundreds of thousands of Korean combatant and civilian lives as well as American lives. Ko Yong Hwan, a former North Korean diplomat, has said: "In the event of a South Korean or American attack, "the whole Korean Peninsula would be reduced to ashes. I'm afraid that such actions would only prompt Kim Jong Il to start a war with the South."⁴⁷

Although Kim Jong Il would probably start a war with South Korea and the U.S. only in response to an attack, the spiraling effects of such a conflict would undoubtedly involve China in the conflict. A combination of its formal alliance with North Korea, an enraged Chinese populace at U.S. actions, and an antsy group of military leaders and planners, would send China into the fighting between South Korean and American forces. Dr. Daniel Okimoto of Stanford's Asia Pacific Research Center concurs, arguing that:

Because China has a security treaty with North Korea, China's military officials will be very unhappy if in a U.S.-North Korea war, China stays on the side. President Hu of China would be greatly criticized. A war between China and the U.S. may ensue and that would be unimaginable.⁴⁸

The result of a U.S. military strike on North Korea, therefore, would cast the region into a bloody and drawn out war between the world's major powers in China and the U.S. Such an outcome would be too horrendous to even imagine.

5.3 "Waiting It Out"

Michael Armacost, former President of the Brookings Institute and Ambassador to Japan and the Phillipines, argues that in the North Korean nuclear crisis, "everyone has an incentive to play a waiting game." Armacost elaborates by positing that the U.S. has many incentives to place North Korea further down from the top of its priority list. Among these incentives includes Bush's desire to let the situation in Iraq "settle down" and Bush's desire to, in the face of the upcoming 2004 Presidential Elections, placate conservative Southern voters who do not want to see another international crisis.⁴⁹ The problem with this "waiting game" is simple; the longer the U.S. waits to deal with North Korea's nuclear capability, the more time North Korea has to develop its nuclear weapons capability. This problem is magnified by the lack of good U.S. human intelligence on the ground in North Korea. If the U.S. waits to the point where North Korea develops actual nuclear bombs, then the problem reaches a new stage of volatility. The DPRK will have an infinitely higher bargaining position because it will possess the capability to defend against an outside "python strategy" of strangulation due its ability to wreak disastrous consequences upon those who dare apply such a strategy. As Henry Kissinger

⁴⁵ Carter and Perry, "The Crisis Last Time."

⁴⁶ Romero, "No Good Way."

⁴⁷ Quoted in Michael J. Mazarr, North Korea and the Bomb, New York, NY: St. Martin's Press: 1995.

⁴⁸ Okimoto Interview, Appendix A.

⁴⁹ Armacost Interview, Appendix C. In a panel on November 18, 2003, sponsored by Stanford's Asia Pacific Research Center entitled "The North Korean Nuclear Crisis: Perspectives from the Three Allies," panelists Kim, Yun, and Hiramatsu (representing South Korea, the U.S., and Japan respectively) each expressed concern of this nuclear crisis "dragging out" because of a lack of "urgency" expressed by the United States. Kim, Yun, and Hiramatsu, Panel on "The North Korean Nuclear Crisis," Appendix B.

argues, once North Korea acquires nuclear weapons, the game will reach a new stage in which U.S. options will be severely limited and the price of disarmament will be considerably higher.⁵⁰

5.4 A Diplomatic Solution—The Road to Peaceful Resolution

After a three-party talk involving the U.S., China, and North Korea in April 2002 and a six-party talk involving the U.S., China, Japan, South Korea, Russia, and North Korea in August 2003, the North Korean nuclear crisis is still extremely unstable. A combination of the Bush administration's "waiting out" the problem and its unwillingness to offer serious benefits to North Korea before North Korea gives up its nuclear weapons capabilities are a major cause for concern. The solution to the nuclear standoff, therefore, lies in the U.S. moving away from its hard-line stance against North Korea and coming to the negotiating table. This strategy would call for the U.S. to put together a package deal for North Korea that includes both "carrots and sticks" described below. The ultimate goal of this diplomatic solution would be to iron out and present to North Korea a specific set of incentives, terms, and threats that leaves no room for misunderstanding on North Korea's part. This package deal needs to demonstrate assertively that a non-nuclear North Korea would be far better off than a nuclear North Korea.

5.4(a) *Framing the Incentives for the DPRK*

The benefits North Korea would receive on both the economic and security fronts would provide the incentive for it to accept the package deal; economic aid would come in the form of food and energy assistance. Benefits to the security front would come in the form of a written multi-lateral security guarantee. The economic benefit to North Korea in the form of food assistance would be enticing for Kim Jong Il's regime in the face of a brittle and floundering economy. Such a pledge would be a show of "good faith" by the U.S. and would go a long way to feed a North Korean people ravaged by the wide sweeping famines of recent years (Kim). By rapidly restoring fuel and food shipments, the U.S. would be taking the first step in dissuading North Korea of its perceived hostile and imperialist intentions and demonstrating to the world and to North Korea a serious dedication to a peaceful resolution of the nuclear standoff.⁵¹

The benefit to North Korean security, however, would be slightly more complicated. Since October 2002 the North Korean government has repeatedly claimed that it will abandon its nuclear ambitions only if the U.S. offers it a formal non-aggression treaty. It is unlikely, however, that the U.S. will agree to such a demand, even if it has no intention to invade North Korea.⁵² Nevertheless, the political impracticality of a formal non-aggression treaty with North Korea does not preclude the U.S. from offering some semblance of a security assurance to North

⁵⁰ Thus, Kissinger, Henry A. "The Six-Power Route to Resolution," *Washington Post*, August 18, 2003.

⁵¹ There are those who may argue that the terms of the 1994 Agreed Framework called for the U.S. to provide two light water reactors to North Korea as sources of energy. These people may posit that such a promise for energy poses many complications (as it did in the 1994 Agreed Framework) The promise of energy assistance, however, would take a different shape than that of the 1994 Agreed Framework in which the U.S. pledged to deliver two light water reactors for the purposes of generating energy. Carter and Perry, "The Crisis Last Time." Instead, this deal would offer energy assistance in the form of conventional sources of fuel; the political sensitivity in the U.S. of stumbling into the same complications that arose in the delivery of the LWRs to North Korea in the 1994 Agreed Framework would thus be avoided. Armacost, Okimoto, and Shin, "Addressing the North Korean Nuclear Challenge."

⁵² Okimoto states that "A non-aggression treaty is simply out of the question politically with North Korea. The U.S. will not sign one with any country because while the U.S. has always maintained that it does not have hostile intentions, it still reserves the right to safeguard its national interest through force. A non-aggression treaty needs to be voted on by Congress. This would be a political impossibility." Okimoto Interview, Appendix A.

Korea. In fact, the Bush administration has recently strayed away from its hard-line policy in its decision to consider offering to North Korea a “written multi-lateral security assurance.”⁵³

Dr. Daniel Okimoto, Senior Fellow for the Stanford Institute for International Studies, comments on this development in the Bush administration’s policy towards North Korea by stating:

I have always been critical of Bush’s foreign policy, but it seems that on North Korea he has accidentally back-ended himself into the right policy. It is much more compelling for North Korea if it gets a verbal guarantee provided by a five-party block. This seems to be better than a bilateral verbal assurance.⁵⁴

The appeal of a multilateral security assurance, although short of a formal bi-lateral non-aggression treaty between the U.S. and North Korea, has been somewhat confirmed by North Korea’s tentative “consideration” of the offer.⁵⁵ The package deal, therefore, would include a multi-lateral written security guarantee from the U.S., South Korea, Japan, China, and Russia, with each party promising not to attack North Korea so long as North Korea abides by the conditions set forth in the deal.

Some may argue that such a multi-lateral security guarantee may still not be enough to disabuse a paranoid North Korea of the notion that the U.S. harbors imperialist plans for invading North Korea. North Korea may reject the offer on the grounds that the U.S., under this security assurance, still has the power to invade North Korea. For example, under this arrangement, if the U.S. finds that North Korea is falling behind on meeting one of the conditions set forth in the package deal, the United States can simply claim that a condition has been violated and thus make plans for regime-overthrow. This objection, therefore, calls for a unique feature to be added to the aforementioned security assurance proposed by the Bush administration, a feature that establishes a check on U.S. unilateral action.

If North Korea does choose to reject this offer of a written multi-lateral security assurance (which is entirely possible), all hope is not lost. The solution to the problem can be found in having South Korea, a country that North Korea trusts far more than it trusts the U.S., serve as a check against rash U.S. actions. This would essentially entail a U.S. assurance to Seoul that it will refrain from carrying out a military strike or option towards North Korea without first having South Korea consent to it. In return, South Korea would declare that all military options will remain on the table so long as North Korea continues to reprocess its plutonium.⁵⁶ This would have the desired effect of proving to North Korea that the U.S. does not have imperialist intentions towards its country (unless it continues to pursue its nuclear weapons program) and will offer a check against hostile U.S. actions as well.

Binding itself to South Korea’s consent would not greatly jeopardize the United States’s ability to protect its interests. As Dr. Okimoto states, “People know [the U.S. has] no incentive to attack North Korea. The implications of a war with North Korea on the Pacific Rim security structure would be catastrophic.”⁵⁷ The U.S., would only pursue a military option in the most dire of circumstances. And, if a situation of dire circumstance were to arise, South Korea, although reluctantly, would most likely consent to the use of military force. Additionally, any U.S. use of military force against North Korea would undoubtedly require South Korean

⁵³ “Stop Threats, N. Korea tells U.S.,” *CNN News Wire*, November 17, 2003.

⁵⁴ Okimoto Interview, Appendix A.

⁵⁵ “Stop Threats, N. Korea tells U.S.,” *CNN News Wire*, November 17, 2003.

⁵⁶ Armacost, Okimoto, and Shin, “Addressing the North Korean Nuclear Challenge.”

⁵⁷ Okimoto Interview, Appendix A.

consent anyway because such a military strike would jeopardize the lives of hundreds of thousands of South Koreans. Therefore, a multi-lateral written security assurance with U.S. military actions checked by its ally South Korea would produce a significant benefit to North Korea's security interests, offering an enticing incentive for North Korea to give up its nuclear weapons ambitions.

5.4(b) Framing the Terms of an Agreement

A crucial component of the package deal also has to demonstrate to North Korea the terms under which it will be able to receive the deal's "carrots." Specifically, the deal would call for North Korea to abandon all of its nuclear activities. There are fears among those who maintain a hard-line stance towards North Korea that such a deal would be worthless because North Korea would, as it demonstrated in the 1994 Agreed Framework, cheat by not complying with the terms of abandoning its nuclear weapons activities. The solution to this problem, however, is not to "throw the baby out with the bath water." Rather than eliminate the possibility of a diplomatic negotiated settlement altogether, policy-makers ought to examine the deficiencies of the 1994 Agreed Framework and look for ways to improve upon the deficiencies so as to make "cheating" on the part of North Korea less likely.

Two conditions can be set forth as part of the deal to ensure that North Korea abides by its end of the bargain. First, the new agreement must be more verifiable so that the international community has verifiable proof from outside third party inspectors that North Korea has indeed shut down its nuclear activities. This would call for North Korea to consent to on-site inspections to supervise the shutting down of its uranium enrichment facilities (including the nuclear reactor at Yongbyon), to examine suspicious sites in North Korea never previously inspected, and to supervise the resealing of the unprocessed plutonium in the fuel rods.⁵⁸ Second, the agreement must be less reversible so that the parties involved know that there is little chance for North Korea to renege on its deal. This aspect of the deal would call for the North Koreans to ship its 8,000 spent fuel rods out of the country and get rid of all of its current nuclear weapons material (including highly enriched uranium and separated plutonium). There are those who may argue that North Korea would never abide by these demands because it would put itself at too much risk to effectively get rid of its nuclear weapons material all at once without receiving any benefits from the U.S. first. I propose that the carrots be rewarded in incremental deliveries in simultaneous accordance with the shipments or destruction of the fuel rods/nuclear weapons material on North Korea's part. The deal would have to specify certain stages of U.S. aid delivery and certain stages of fuel rod shipments and/or nuclear weapons material elimination.

Some may criticize such a plan because it leaves too much room for either side to delay their shipments. However, this does not have to be the case if both sides follow the regimented schedule of simultaneous actions set out by the plan. Additionally, positing that the concessions of nuclear weapons material and economic aid would come in increments does not necessarily imply that the process would drag out. The entire process simply needs a jump start in which the North Koreans agree to ship their fuel rods not all in one shipment but perhaps all in three shipments. The U.S., to reward the first shipment, would send significant amounts of food and fuel aid and sign the multilateral written security guarantee contingent upon delivery of the second and third shipments of fuel rods. This concept of simultaneous actions simply serves to build trust between the parties and jump start the confidence of both sides to commit to the terms of the deal.

5.4(c) Framing the "Sticks" for Non-Compliance

⁵⁸ O'Hanlon, "A Master Plan."

The final component of the package deal would be a set of threats that would both dissuade North Korea from reneging upon or rejecting the deal. Such threats would need to be credible and enforceable. The key to framing the “sticks” is a careful coordination among U.S. policies and those of China, South Korea, Japan, and Russia. The benefit to coordinating the strategies among the five countries is that such coordination allows the next round of six-party talks to be approached in a productive manner. A coordinated policy between the countries would allow the five countries opposing a nuclear North Korea to present a unified set of incentives, conditions, and threats to North Korea, forming a united force. North Korea will view a violation of the terms of a deal with the five powers more seriously than it would view a violation of the terms of a deal solely with the United States. This is because North Korea cannot afford alienating and directly undermining the four main regional powers in China, South Korea, Russia, and Japan. Cheating in a deal made among the regional Asian powers would undercut any sympathy and support North Korea has from China and South Korea.⁵⁹

The multilateral threat that the states should pose to North Korea should be that of economic sanctions, and possibly, selective military strikes on the nuclear sites if North Korea does not agree to abandon its nuclear weapons activities. Although there are indeed drawbacks to both of these options, the threats of a nuclear North Korea are so detrimental to U.S. security interests that the harmful consequences of these options may need to be considered if North Korea rejects the package deal and signals that no deal would satisfy them.

6. RECOMMENDATIONS & CONCLUSION

Having reviewed various policy options, the recommendation of this author is clear. A negotiated settlement along the lines of those proposed above is the most promising direction for U.S. policy toward the DPRK. In the following section, I will briefly present objections to a diplomatic solution and offer direct refutations to them. I will then conclude by highlighting the positive potential of thoughtful negotiation in advancing American interests and promoting security and stability in Northeast Asia.

6.1 Answering the Critics of a Negotiated Settlement

Those favoring a hard-line stance may claim that to pursue a diplomatic solution in which the U.S. offers economic aid and security guarantees to North Korea would violate American principles and set a bad precedent for succumbing to blackmail. However, while this argument may be true, it is necessary to employ a cost/benefit analysis in this situation. The cost of a nuclear North Korea to American and Northeast Asian security interests has already been explained. Objectively, if the only way to solve the problem of a nuclear North Korea is to offer a negotiated settlement, then the harm of perhaps violating our own principles and giving in to blackmail are outweighed by the benefits of avoiding the costs of a nuclear North Korea. The fact that much of the food aid will go to starving North Koreans also reduces the helpfulness of the “blackmail” analogy. The Bush administration also bears partial responsibility for the origins of the crisis and should acknowledge that however odious its governing regime, the DPRK has legitimate concerns of sovereignty and security that further reduce the helpfulness of the “blackmail” concept.

⁵⁹ Okimoto states that: “There are a lot of coordination issues to be addressed that involve tactical approaches to the situation. The two countries need to address what they will do in a united front in response to various scenarios...” Okimoto Interview, Appendix A. Armacost concurs, stating in regard to the coordination among countries, “It would call for a common negotiating strategy which is something we are not seeing right now...It would address what action would be taken if North Korea rejects the deal.” Armacost Interview, Appendix C.

Second, there are those who may argue that North Korea will never accept such a deal because it calls for mechanisms of enforcement and verifiability that are too intrusive; these people may cite the strong desires of the North Korean government to maintain its secrecy and that such terms of the deal would not be accepted.⁶⁰ Even if North Korea rejects any semblance of a negotiated settlement, at least the U.S. and its allies will have attempted to test the North's intentions. They will have at least attempted a peaceful solution to the problem. It may very well be the case that North Korea rejects all forms of a package deal. If such is the case, then perhaps economic sanctions or military strikes will need to be considered. What is essential, however, is that the diplomatic solution be attempted *first* so that North Korea's genuine desire for peace can be tested; the U.S. will never know whether North Korea really wants peace if it does not give peace a chance.

Lastly, there are those who would prefer adopting the strategy of either economic sanctions or selective military strikes on North Korea's nuclear facilities to resolve the North Korean nuclear standoff. However, each of these options as a "first-option," as explained before, poses serious threats to U.S. security interests and should only be pursued after the effectiveness of a peaceful diplomatic solution has been tested.

6.2 The Promise of a Diplomatic Solution

The probability of success for a negotiated settlement through a peaceful diplomatic solution is relatively high due to two unique factors. First, there is a genuine consensus among North Korea experts that the country genuinely wants peace and is only participating in nuclear activities to protect its political and territorial integrity from a rising threat in the U.S. On November 16, 2003, a spokesperson for North Korea's Foreign Ministry stated that:

North Korea is willing to realistically abandon nuclear development at the phase when the U.S. hostile policy toward North Korea is removed and threats against North Korea are eliminated...a resolution of the standoff over North Korea's nuclear weapons program depends on whether the U.S. is willing to accept its demands for simultaneous actions.⁶¹

James E. Goodby confirms this interpretation of North Korean intentions when he writes, "The general assessment is that Kim is fundamentally interested in regime survival...he is not an expansionist dictator in the world of Hitler."⁶² The explicit North Korean policy statements combined with a general agreement among academics and specialists in Korean studies justifies taking advantage of North Korea's desire for peace by providing the conditions necessary for such a peace (a package deal to rid North Korea of its nuclear weapons). The Bush Administration's hard-line policy fails to recognize the internal dynamics of the situation (i.e. North Korean distrust of the U.S., the stubborn nature of the North Korean regime, and the value that Kim Jong Il attaches to North Korea's nuclear weapons program), and thus, if continued, will squander the real chances of peace that can be attained through a diplomatic solution.

Second, the likelihood that a package deal will solve the nuclear standoff is increased by the role that China, North Korea's one true ally, will play as an "active interlocutor," putting "serious pressure" on North Korea to abandon its nuclear activities and accept the deal.⁶³ In

⁶⁰ Armacost Interview, Appendix C.

⁶¹ "Stop Threats, N. Korea tells U.S.," *CNN News Wire*, November 17, 2003.

⁶² Goodby, James E., "North Korea: The Problem That Won't Go Away," *Axess Magazine*, May 2003.

⁶³ Romero, "No Good Way;" Roy, Panel on "The North Korean Nuclear Crisis," Appendix D.

fact, former Ambassador Michael Armacost argues that in the December 1, 2003, personal interview that if China “is involved in brokering a deal or withholding fuel and food, then China can be a big player. But, China right now is simply asking the U.S. to put some cards on the table so there is something to work with. And if North Korea refuses a deal, China could potentially squeeze them.”⁶⁴ Therefore, the diplomatic solution is made even more compelling in light of the role China can play in facilitating a peaceful outcome. However, unless the U.S. works with its allies to coordinate a package deal with a set of specific incentives, terms, and threats to present to North Korea, the chances for a peaceful resolution greatly diminish.

In light of North Korea’s genuine desire for peace, China’s ability to pressure North Korea to accept a beneficial package deal (provided it disband its nuclear activities), and the major powers’ threats of economic sanctions or military strikes, it appears that the chances for a peaceful resolution of the North Korean nuclear crisis may be favorable. However, this likelihood for peace is contingent upon a change in U.S. policy towards North Korea. The Bush administration’s adamant stance against “blackmail” and its “no-compromise” policy towards North Korea has the potential to seriously squander the hopes for a peaceful resolution of the issue. The next rounds of six-party talks should be treated as an opportunity to coordinate with our allies to present a united front dedicated to resolving the issue through dialogue and compromise. By choosing the diplomatic option, the U.S. will resolve this crisis in a way that recognizes the internal dynamics of the complex situation, capitalizing on the favorable conditions for peace by employing a tactful compromise.

⁶⁴ Armacost Interview, Appendix C; Roy, Panel on “The North Korean Nuclear Crisis,” Appendix D.

APPENDIX A

PERSONAL (OFFICE) INTERVIEW WITH DR. DANIEL OKIMOTO, STANFORD PROFESSOR OF POLITICAL SCIENCE; SENIOR FELLOW FOR THE INSTITUTE FOR INTERNATIONAL STUDIES; DIRECTOR EMERITUS OF STANFORD'S ASIA PACIFIC RESEARCH CENTER
NOVEMBER 18, 2003 2:40 PM

Interview Questions and Answers

1) In your essay entitled, "A Full Blown Crisis," (written before the chaos currently unraveling in Iraq, 7/13/03) you mentioned that "the current crisis is different in that great uncertainties will be introduced by the war in Iraq. It is not quite clear, for example, how the war in Iraq will affect public opinion in South Korea and the politics of managing North-South relations. It will depend of course, on the outcome of the Iraqi campaign." My question for you then, is how has the war in Iraq thus far affected public opinion in South Korea and the "politics" of managing the North Korea crisis?

You know, I am usually not that great at predicting future events. My track record speaks to this fact. However, I do believe that I was relatively on the mark in my prediction that the war in Iraq would be hugely unpopular in South Korea. I predicted that public opinion would be mobilized against the war and that America would be seen as using its "bullying" power. What I thought was going to happen actually is happening; there is a current ground-swell of anti-Americanism in South Korea. Responding to the second part of your question then, I believe that this anti-Americanism is complicating the coordination of U.S. and South Korean policies with regards to North Korea. The President of South Korea now has to contend with a critical public that does not want him to cave in to the demands of U.S. hard-line policies towards North Korea. This is exactly what I thought would happen.

The relationship now is very complex. South Korea needs the U.S. in South Korea's dealings with North Korea and now the U.S. is calling upon South Korea to send aid and logistical support to Iraq. This has further caused a flaring of anti-Americanism in South Korea and is proving to be a very difficult situation for the South Korean President. South Koreans are adamant in their demands that South Korea avoid sending troops to Iraq. The U.S., however, expects South Korea to lend troops for the Iraqi campaign. If South Korea commits troops but then reneges on their troop commitments, then U.S.-SK relations will be in jeopardy.

2) In the same essay you further wrote that "China appears to be less committed to halting nuclear proliferation than in ensuring the DPRK's survival as a sovereign state." Can you elaborate on this statement in order to clarify what China values more, a non-nuclear North Korea or maintaining the sovereignty of the current North Korean regime? If it comes down to the wire, will China fight to defend the NK regime or fight to disarm NK?

When I made that statement, I knew that China wanted to see both, but there were tradeoffs to both. Before, China was not that worried about a potential nuclear North Korea.

Probing question: What do you think accounts for China's recent turnaround?

Well, my recent discussions with high-level Chinese officials have given me a bit more insight into the Chinese perspective. From what I gather, Chinese leaders finally realized that if North Korea gets nuclear weapons, sells those nuclear weapons to terrorists, and then those weapons are detonated in NYC by Al-Quada, then China's in trouble. The U.S. will devastate North Korea and there will be bloody fighting. And because China has a security treaty with North Korea, China's military officials will be very unhappy if in a U.S.-NK war, China stays on the side. President Hu of China would be

greatly criticized. A war between China and the U.S. may ensue and that would be unimaginable. So China's new perspective is that it needs to stop North Korea from going nuclear to prevent all hell from breaking loose.

3) In the piece you co-wrote entitled "Addressing the North Korea Nuclear Challenge," you mentioned that the U.S. and Seoul need to engage in "give and take" negotiations with South Korea to coordinate a consistent strategy to deal with North Korea. What issues would have to be resolved in these negotiations? With regards to the current souring relationship between the U.S. and South Korea, what can the U.S. do mend its relations with Seoul?

There are a lot of coordination issues to be addressed that involve tactical approaches to the situation. The two countries need to address what they will do in a united front in response to various scenarios. For example, what do they do if refugees pour into China from North Korea? What should they do if North Korea detonates a nuclear weapon or test fires missiles over Japan again as they did in 1998? They need to work out and coordinate these issues or else they will be caught by surprise will little time to act in a way where they are on the same page. As far as strategy goes, the two countries need to coordinate to figure out if and when they should apply economic sanctions. They need to figure out what to offer North Korea as an inducement to give up its nuclear program.

*Probing Question: These issues of coordination that you mention are all issues that South Korea and the U.S. need to resolve. But currently there is somewhat of a stalemate between the two countries that is hampering cooperative negotiations. The U.S. remains hard-line in its approach to the situation and South Koreans, as you mentioned before, do not want to give in to the U.S.'s hard-line stance. What do you think **should** be done on the part of both parties?*

That is a good question. I think the compromise from the two parties should take place more from the side of the U.S. The U.S. needs to recognize that it is the defense and security of South Korea that is at stake here. If a war breaks out, South Korea will be the one to feel the brunt of it. Keeping this in mind, it is very tough for the U.S. to force South Korea down a track that it doesn't want to go down. The U.S. should not be trying to take the lead ahead of South Korea. I mean, theoretically, we are there for the sake of South Korea's defense and security. We are not there to use South Korea for U.S. defense. It all comes down to a matter of respecting South Korean needs and interests and a willingness on the part of the U.S. to allow South Korea to maintain its own national interest.

4) What is the harm for the U.S. to provide a security guarantee (with certain clauses and conditions of course) to North Korea if the U.S., as it has been stating, does not intend to invade North Korea anyways? Is it that the U.S. lacks assurances that North Korea will abide by the conditions of the security clause?

A non-aggression pact is simply out of the question politically with North Korea. The U.S. will not sign one with any country because while the U.S. has always maintained that it does not have hostile intentions, it still reserves the right to safeguard its national interest through force. Simply put, it doesn't want to be constrained in its actions. You know, I have always been critical of Bush's foreign policy, but it seems that on North Korea he has accidentally back-ended himself into the right policy. It is much more compelling for North Korea if it gets a verbal guarantee provided to it by a five-party block. This seems to be better than a bilateral verbal assurance.

Probing Question: But I still do not understand what the harm is in providing North Korea with a bilateral security guarantee in the form of a non-aggression pact if that is what North Korea claims it wants. What is wrong with a non-aggression pact with certain clauses and conditions?

People know we have no incentive to attack North Korea. The implications of a war with North Korea on the Pacific Rim security structure would be catastrophic. But I think the answer to your question is that politically, it would never pass. A non-aggression treaty needs to be voted on by Congress. This would be a political impossibility.

APPENDIX B

PANEL ENTITLED "THE NORTH KOREAN NUCLEAR CRISIS: PERSPECTIVES FROM THE THREE ALLIES,"
SPONSORED BY THE STANFORD UNIVERSITY ASIA/PACIFIC RESEARCH CENTER, 18 NOVEMBER, 2003,
PHILIPPINES CONFERENCE ROOM

Participants:

Kenji Hiramatsu - Fellow at Weatherhead Center for International Affairs, Harvard University, and former Director, Northeast Asia Division, Japanese Ministry of Foreign Affairs

Kim Won-Soo - Visiting Scholar at APARC, and Secretary to the President of Foreign Affairs and Trade, Office of the President of the Republic of South Korea

Philip Yun - Vice President and Assistant Chairman at H&Q Asia Pacific

Gi-Wook Shin, Moderator

*The following transcribes (almost verbatim) all the main points offered by the panelists.

Shin (Moderator):

A lot of media attention of late has been focused on the North Korean Crisis. We have a unique program here today with three former or current policy makers for South Korea, Japan, and the U.S. Each panelist will have about ten to fifteen minutes to speak, and then we will open the floor for discussion. First we have Kenji Hiramatsu.

Hiramatsu:

I will present the North Korean situation from Japan's point of view. First, let me make clear that Japan will never tolerate a nuclear North Korea. Let there be not the slightest doubt about this. We must not give North Korea the opportunity to apply dissonance to the major powers. Japan is worried about both North Korea's nuclear program and its long range missiles. Currently, North Korea has over one hundred long range missiles positioned at Japan. This missile program is also an area of contention for Japan. Second, Japan wants to resolve this situation in negotiations. The trilateral coordination between the U.S., South Korea, and Japan is very important to us. Third, Japan and North Korea have bilateral issues that need to be addressed. These issues include both security and abduction issues. For a peaceful and stable Northeast Asia, there needs to be a comprehensive approach to North Korea. If North Korea wants economic assistance through Japan, then it needs to dissolve its nuclear weapons program and refrain from launching missiles starting from December 2003. Moreover, the 1970s abductions of Japanese citizens by North Korea are an outrageous violation of human rights and national sovereignty. We have made clear that we will not engage in serious talks of bilateral relations until this issue is solved.

Next, North Korea is very proud and suspicious of foreign countries. Think of it as a small mouse in a small dark space that will react to the smallest sound. It is only concerned about one thing: regime survival. We must not ignore this North Korean sentiment even though it may be difficult for Western countries to understand. In order to work out this situation, we must assume that this regime will continue for a long time. I am not saying that this regime is trustworthy. I am simply saying that we must recognize the nature of this regime.

The National Defense Committee is advising Kim Jong Il on what he should be doing. There is room for optimism. No one thought North Korea would admit to abducting Japanese citizens. Through perseverance and effort, there can be a positive outcome to the North Korea situation. We are encouraged by China's support of six-party talks. China does not want an unstable North Korea. China also wants

good relations with the U.S. We can count on China in this process. It is a good sign that North Korea is willing to consider a written security agreement.

There is always a risk that six-party talks will fail. In this case, international pressure needs to be strengthened down the line. It needs to be clear that North Korea has to abandon nuclear weapons and join the international community. With that...I think I've spent about eleven minutes.

Moderator:

Thank you Mr. Hiramatsu. We will now turn to Mr. Kim.

Kim:

I think we need to come up with a coordinated strategy...which is hard. To briefly comment on the title, "crisis," I think the three governments represented here today have been very careful to avoid describing the situation we face today as a "crisis." The word "crisis" is not good for foreign investors and Washington certainly does not want another crisis. But this does not mean that the problem we face is not serious. It simply means that it has not quite developed into a crisis yet. Six-party talks can still have prospects of dialogue.

The reason that this situation is so hard is because we are seeking two overriding goals: peace and denuclearization. During our Trilateral Summit (between the U.S., South Korea, and Japan), we looked for a peaceful solution. We saw three options. First, we could make North Korea change its policy. Second, we could make North Korea change its leadership. And third, we could make the North Korean regime collapse and replace it. The second and third options, however, were too risky and dangerous.

Even now we do not have a clear picture, but any solution should include all concerns on the negotiation table. We should make a road map that says, "We will do this, and you will do that." The question is how we can be sure North Korea will get rid of its nuclear weapons. I think it's fair to try to see whether or not North Korea is ready to solve this issue. To do this requires that we bring North Korea to the table and "test" its true intentions. But when we bring them to the table we should present a "clear" road map addressing all our concerns and all their concerns. The road map would have reasonable steps each side would take simultaneously.

It is key to assure North Korea that its future will be much better without nuclear weapons. If we do not do this, then North Korea will not get rid of its weapons. What I foresee in the future though, is simply talks about talks. Washington is not ready to move into the negotiations phase. There is a deeply rooted distrust about North Korean intentions. I have cautious optimism, but I do not know where the regime will go. North Korea may wait out until the U.S. presidential election to see how things turn out. But I think that even with another administration, North Korea will not have a better chance of resolving this issue the way it would like to. Also, in April South Korea will have very important elections. There are two different clocks ticking. The first is food. North Korea is in a very unstable economic state. This clock is not on their side. The second clock is for nuclear weapons. This clock is not on our side. North Korea may have extracted plutonium programs already. The longer time we use, the harder it will be for North Korea to roll back what they have done.

Threat perception is also fundamental because countries diverge on this issue. The policy of South Korea is that North Korea threatens South Korea less as time goes on. Our policy then is to help them in this time of trouble. But after 9/11, the U.S. has developed a sharper perception of the threat of terrorists acquiring nuclear weapons. This divergence of the threat perception is causing major problems for the alliance. It is time to sit down and seriously come up with what the alliance should do to bolster U.S. and South Korean interests. South Korean people look at the alliance with the U.S. more from a regional concern while the U.S. looks at it from a global concern.

We may not know what North Korea will do in the future. But I think they will be predictably unpredictable. They will do things if six-party talks fail. They will do things to provoke the world.

Moderator:

Thank you Mr. Kim. We will now turn to Mr. Philip Yun.

Yun:

After working in Washington with Bill Perry on the 1994 Agreed Framework, I am going to give you all a decidedly American perspective on the North Korean situation. We believe that next to Al-Qaeda, North Korea is the number one threat to the U.S. It is not that North Korea is intending to attack the U.S. The threat of a nuclear North Korea comes in a different form. After 9/11, we see the possibility of nuclear material coming into the hands of terrorists in one way or another. North Korea poses a threat in the following three areas.

First, it has eight thousand fuel rods that is enough bomb material to be reprocessed into five or six bombs. Second, it has an ongoing nuclear reactor that could, if activated, produce five to ten bombs a year. And third, North Korea has its HU project which is a couple years off from consistently building nuclear weapons. The last threat is admittedly not as grave as the first two.

When looking at these factors, it seems that North Korea has the ability to become a nuclear weapons Wal-Mart. In 1994, we drew the red line and sent the message that if North Korea processes its fuel rods to plutonium, we will go to war with them. It is unclear at this point if North Korea has crossed the red line. We do not know where they are. The bottom line is that North Korea has bomb materials for five or six bombs floating around the country. In my opinion there are a lot of options but they are all bad options. I like to call North Korea the "land of lousy policies."

Nevertheless, I see three U.S. options. First, we can use force to stop North Korea from building nuclear weapons. This, however, would be terrible because of the hundreds of thousands of casualties that would arise. Second, we can acquiesce and simply say, "Fine, build your weapons." This would be, in the long term, just as bad as the first option because it would lead to a nuclear arms race in Northeast Asia. Moreover, this could also lead to North Korean miscalculation in the sense that a nuclear North Korea could think that it could intimidate the U.S. or Japan, increasing the chances of war. Lastly, this would cause a "loose nukes" problem in which you have all these weapons that will be out in the market if the North Korean government collapses. The third option is the diplomatic solution. The problem is that North Korea, after the events of 9/11, the "axis of evil" speech, and Iraq, feel that they are more secure with nuclear weapons than they are without them. Another problem is that the Bush administration seems satisfied with simply talking about talks right now because elections are coming up. These problems have lead to a very bad conclusion; over the last year nothing has changed for the better. In fact, things have gotten significantly worse.

The U.S. possesses a desire to punish, isolate, and contain North Korea. This has increased North Korea's incentives to sell its nuclear weapons material on the black market. Just imagine this...Osama Bin Laden tells Kim Jong Il that he will pay one hundred million dollars for a "softball size amount of plutonium." What do you think North Korea is going to do? This is a country whose economy is in an abysmal state and whose very existence is being threatened by the U.S. And what is the U.S. going to do? It is impossible to stop someone from selling something the size of a softball. Logistically, there is no way to stop this from happening. And once it's out, there is a huge security risk. At that point all bets are off. The problem for the Clinton and Bush administration is the same; how do you deal with this problem.

I thought I'd go into what I think are the five myths that people in the U.S. believe to be inherent to the North Korean negotiation process. The first myth is that North Korea is crazy and irrational. This is absolutely not true. North Korea very carefully cultivates this perception in order to provoke the U.S. into giving it a better deal. Everything for the North Koreans is a part of a "negotiations rhythm and dance." Everything, to them, has a beginning, middle, and end. Unlike people in the U.S., who just want to get the deal done and get out, North Koreans believe that in order to get what they want they need to go through

a series of calculated steps to show that they are capable of “anything.” The solution to this for the U.S. is to be tough but flexible when necessary.

The second myth is that North Korea is in a position ready to attack South Korea, Japan, and the U.S. This is wrong. Peninsula deterrence is in our favor; it works. North Korea is functioning on a principle of maintaining its own survival. In order to peacefully resolve this situation, the U.S. needs to offer both carrots, and use sticks. The Bush administration is only using the stick right now.

The third myth is that there is a monolithic North Korean leadership. This too is incorrect. North Korea, like any other country, has its own factions. The leaders that came from the 1970s generation still see North Korea as a country part of the international community. These people are practical. But there is another tier of leadership that has for its whole existence lived in isolation. Therefore, the U.S. should not assume that getting rid of Kim Jong Il will make things better. The next leadership could actually be worse.

The fourth myth is that the North Korean people are waiting to overthrow the North Korean government. Speaking from experience, I believe North Korea is the most isolated place in the world. If Kim Jong Il goes out to the streets and says, “the sky is red, then people will believe it.” This is a place where people have been brainwashed and socialized into a cult where Kim Jong Il is “God.” If you think Kim Jong Il will be thrown out, forget it. He’s here to stay.

The fifth myth is that China has the ability to solve the North Korea problem. Sure, China has the power to convince North Korea to perhaps join six-party talks, but this is a question of process, not substance. When it comes down to hardcore security interests and regime survival, North Korea will not succumb to anybody. Any further pressure will simply invite further intimidation. Counting on China to be the savior is a policy of hope, but you cannot count on hope as a policy our build policy options around it. It all comes down to cooperation between the U.S., South Korea, and Japan (and China but to a lesser degree). This cooperation will be critical. The problem however, is that in the post 9/11 era, the different countries’ interests do not line up.

Moderator: Now that the speakers have finished, let us open the floor to questions and discussion.

Dr. Daniel Okimoto (Professor of Political Science at Stanford University): In regards to the concept of time and the different clocks of nuclear weapons, elections, and the North Korean economy, there have to be costs and benefits to dragging this out. Are there milestones that need to be reached and timeframes in which to meet them? Is it possible to create any incentives or disincentives to act quickly so we can move on past the stage of simply “talking about talks?” It seems like there are neither “carrots nor sticks” on the table as of now. Is there any hope of progress soon? Basically, my question is how do we kick start this process with early incentives, redlines, and a timeframe road map?

Kim: This is the puzzle that we’ve been trying to solve since last year. We do not have a coordinated road map yet. We’ve had long discussions about it though. In 1994 we made clear to North Korea that they had two choices; freeze their nuclear programs and get aid or continue their programs and face war. This time, we did not want to set up the redline because we know North Korea WILL jump over the redline just to grab our attention. That’s why we do not want a redline, because we are afraid of what will happen if the redline is crossed.

Hiramatsu: I agree. We still need some time for coordination among the three countries to coordinate things such as how the energy should come and what concrete steps we need to see from North Korea.

Yun: I’m no longer in government so I have the freedom to say what I want. I love this. Look, it’s not rocket science. All the elements are there. North Korea wants security and recognition and the U.S. wants the permanent and verifiable elimination of North Korea’s nuclear weapons program. The fundamental problem, however, is that the two sides simply do not trust each other. In 1994 there was a road map. We

had both a lot of carrots and a lot of sticks. I gotta believe the Bush administration has SOME kind of road map, even if it's locked in a safe somewhere. It feels like we've gone backwards. We're still hypothesis testing. There are two key things we want: the elimination of the missiles and nuclear weapons program. But we cannot longer have a "freeze" of the programs like we did in 1994. We need an elimination of the programs.

I think the fundamental first step we need is maybe North Korea allowing the IAE (International Atomic Energy) in to the country to carry out inspections. This would be crucial because it would show us that North Korea is willing to go down a positive path. We have no idea what is going on in the country right now. In return, we could offer a security assurance and build off of that. We simply need both sides to take some positive steps in the right direction.

Kim: Right. Freezing is not an option for us now. We no longer have that middle ground to kick start the negotiations process. The first step will be the most difficult.

Hiramatsu: We need to start with a commitment from North Korea because there is a strong lack of confidence from us to them. The first step needs to be some sort of statement from North Korea committing itself. The roadmap needs to be comprehensive, including everyone's interests. Once we have this roadmap, we can start negotiating.

Dr. Daniel Okimoto (Professor of Political Science at Stanford University): Is there any way to know how North Korea views the 1994 Agreed Framework?

Kim: I think they were generally happy with it but were unhappy about delays.

Zach Levine (Stanford undergraduate student - senior majoring in political science): What form do you see a security guarantee taking? What are the impediments to it being offered? What first step is necessary?

Yun: There is good news and there is bad news. The good news is that it seems like the President's views are shifting. In his speech to APEC Bush seemed to express a certain flexibility that was not there before. The bad news is that it may be too late. North Korea wants reaffirmation of the U.S.'s non-hostile intentions. North Korea sees this as very important. Whether or not this reaffirmation comes in the form of a treaty or an amalgamation is flexible. What needs to happen is the policy makers need to sit down, create another window to figure out how to creatively map out a step by step reciprocating roadmap.

Post-Doc Fellow at Stanford University: Why do some countries develop nuclear weapons and why do other countries avoid this process? Is our answer for North Korea accurate?

Kim: North Korea is developing nuclear weapons for more leverage in negotiations and for regime survival. North Korea will not give up nuclear weapons for obvious reasons. In the end, North Korea will disarm only when it is convinced that the future for North Korea will be better without nuclear weapons. The next step for us is to test North Korea's intentions.

Hiramatsu: I think we need to assume that the decision to pursue nuclear weapons has been made. But we also need to know that this decision is not irreversible, that we can convince North Korea that there is another path it can take.

Yun: I agree. In my conversations with North Korean officials, certain topics often came up. They repeatedly said, "we will not be a Bosnia or an Iraq." North Korea learned the lesson that if those countries had nuclear weapons, their fates would be much different. Now North Korea has both nuclear weapons and is guided by insecurity and paranoia.

Moderator: Last question...It is June 30, 2004. Where do you expect we will be?

Kim: We may have one more round of six-party talks. We still need some time to come up with a coordinated road map specifying all the milestones, and hopefully, North Korea will not have done anything too crazy to worsen the situation. Simply put, things will stay generally the same with little dramatic progress.

Hiramatsu: I agree. It is possible that we will have drafted solutions and issues to be addressed in our negotiations.

Yun: Depending on how things go with Iraq, there is a real possibility that North Korea may miscalculate and think they have free reign on the security side. Understand that we are in a black period. In six months North Korea could have completely reproduced fuel rods and we would not know about it. They could come to us and say "look what we have." This makes sense from a North Korean perspective because having more gives them more leverage. But it also makes very small the likelihood that North Korea will give up these weapons. I would not be surprised if things got worse. The U.S. may even try more sanctions just to show that we're unhappy. But I guess if the situation was easy, it would have been solved a long time ago.

APPENDIX C

**PERSONAL (OFFICE) INTERVIEW WITH DR. MICHAEL ARMACOST, SHORENSTEIN DISTINGUISHED FELLOW; 1995-2002 PRESIDENT OF THE BROOKINGS INSTITUTE; FORMER AMBASSADOR TO JAPAN AND THE PHILIPPINES; FORMER UNDERSECRETARY OF STATE FOR POLITICAL AFFAIRS
DECEMBER 1, 2003 10:00AM**

Interview Questions and Answers

- 1) What do you think will be the outcome of the next unscheduled six-nation talks? Is it likely that we will see a negotiated settlement between the five parties and North Korea? What factors may keep this settlement from coming into fruition?

I think that a settlement is possible, but it's not likely. The biggest problem is that the US views North Korea with profound distrust. A negotiated agreement would have to depend on intrusive forms of verification that North Korea will abandon its nuclear weapons program. And there are too many things we do not know much about it; where it is, how far it has advanced, how long it has left to produce bombs, we are in a very bad position. And since North Korea is notorious for wishing to preserve secrecy, the prerequisite for intrusive verification is problematic.

- 2) Drawing on what you just stated...If intrusive verification is a problem for North Korea, what solutions do we have then?

Well, there are two positives. One, the US has persuaded others that this is not a bilateral issue and that it calls for active involvement from all parties. The Chinese have become pretty active in the situation starting last spring. If it is involved in brokering a deal or withholding fuel and food, then China can be a big player. But, China right now is simply asking the US to put some cards on the table so there is something to work with. And if North Korea refuses a deal, China could potentially squeeze them. Something to keep in mind though is that no one knows if North Korea is willing to get rid of the weapons. Also, South Korea is not being helpful. It is assuming the US and China will take care of the problem. But the US elections are coming up and the President is concerned about southern conservative votes. This limits his options in dealing with North Korea. The administration needs to manage the situation so it does not blow up. The Japanese cannot do anything before North Korea makes strides in the Japanese abductees issue. China sees a priority in avoiding a conflict as long as possible. And North Korea thinks it has a chance to wait until the democrats take over. Everyone has an incentive to play a waiting game.

- 3) Drawing off the idea that the different players have an incentive to wait...how is the situation affected if the delays in pursuing serious negotiations allow North Korea enough time to acquire nuclear weapons?

Our intelligence has more or less assumed that North Korea has maybe one or two nuclear weapons. If it turns to this, then we may have to press hard for economic sanctions. The question is, "is there a basis for sanctions?" The South Koreans would probably flake out because they assign a higher priority for stability. Japan would probably go along with it. I'm not sure what China would do.

- 4) What are the prospects for economic sanctions if North Korea is forced to sell its nuclear weapons material in a state of desperation?

If North Korea has a couple of weapons, it won't sell them because then it will have nothing. Actually, I don't know. The US needs to make North Korea reflect on the dangers. It takes a lot of money to pay off high level officials to keep Kim Jong Il in a position of power. North Korea cannot keep its

factories running without fuel. If it is cut off from the world in food and fuel from China, it will have to pay a huge price.

- 5) What would the “give and take” negotiations you speak of in the article you co-wrote entitled, “Addressing the North Korean Nuclear Crisis,” look like?

It would call for a common negotiating strategy which is something we are not seeing right now. And this would address two issues. One, it would address the content of the agreement or deal to North Korea. Two, it would address what action would be taken if North Korea rejects the deal. South Korea seems willing to discuss the first issue but not the second. The US, on the other hand, seems willing to discuss the second issue but not the first. Also, the deal has to include Japan and China in they all agree what to bring to the table. If North Korea does not comply, then further punitive actions should be taken.

APPENDIX D

PANEL ENTITLED "THE NORTH KOREAN NUCLEAR CRISIS: THE CHINA DIMENSION," SPONSORED BY THE STANFORD UNIVERSITY ASIA/PACIFIC RESEARCH CENTER, 1 DECEMBER, 2003, PHILIPPINES CONFERENCE ROOM

Participant: J. Stapleton Roy, Former United States Ambassador to the People's Republic of China

Moderator: Former President of the Brookings Institute and Ambassador to Japan and the Phillipines Dr. Michael Armacost

(The following is a summary of the main points made by Ambassador Roy during his opening remarks and "question-answer period")

1. There is no doubt that, whatever the rationale, Bush's "axis of evil" remarks followed by the military action in Iraq has reinvigorated North Korea in its pursuit of nuclear weapons. Bush's speech has had the unintended consequence of increasing the danger of nuclear proliferation.
2. However, even the darkest cloud has a silver lining. Some positives that have come out of the current situation are as follows: It has forced Bush to focus on important issues in Northeast Asia (away from the Middle East). It has revealed to the U.S. that cooperation with China is very important and that when serious crises emerge, you need the support of regional powers.
3. People in the U.S. underestimate the degree of Chinese frustration at North Korea's failure to make reforms and failure to take advantage of South Korea's Sunshine Policy. In meetings with the highest-level officials in China, I have learned that anecdotes that put North Korea in a bad light are commonly made. In short, the relationship between Beijing and Pyongyang has strained in the face of North Korea's flouting of its nuclear commitments. North Korea has forced Beijing to take a public stance against Pyongyang, making it difficult for the government to appease hard-line and steadfast supporters of North Korean sovereignty.
4. A positive unintended consequence has been a much favored and clear Chinese position that it will not tolerate a nuclear North Korea. There is clearly a common interest between the U.S. and China in solving this problem. When I was in Northeastern China speaking with the governor of a province, I was surprised to see how openly officials ridiculed North Korea for still practicing socialism. There is definitely a rift between North Korea and China and an opening developing for U.S.-China relations.
5. It is important to note, however, that the solution to this problem is not simply to press on North Korea with a hard-line stance. North Korea is very stubborn. In fact, the more you lean on the North Koreans, the more stubborn they become.
6. Lastly, it is also crucial to recognize the limits of China's power. In a phone conversation with former Prime Minister Jiang Zemin, I talked to him for a long time about the situation. He told me, "I can't just pick up the phone and tell Kim Jong Il what to do. I need something to use."