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SUMMARY

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I will first mention my points of view concerning the US-North Korea nuclear impasse. I would then invite you to challenge and question me. We are here this afternoon to try to figure out precisely where we go from here. But before that, I would like to talk a little bit about where we were a year ago, our present situation, and the future.

When I came to Japan last year, I warned about a possible collision between the United States and North Korea. Tensions were escalating, and we had not yet started the Six-Party Talks. Several of us at a symposium in Washington, DC were stunned to find out that North Korea was on the verge of developing nuclear weapons, that they might in fact already possess them. At the time, the Bush administration's position was not to reward North Korea with any negotiations but to focus multilateral pressure on Pyongyang so that it would unilaterally give up its nuclear weapons building capability. We then became involved in the Six-Party Talks after China intervened.

A year later, where do we stand? Last June, the primary goal for North Korea was regime survival. The second goal was to develop a nuclear deterrence capability and also equally important, to engage the US in bilateral negotiations. At present, we can say that regime survival has been achieved and there are no signs of imminent collapse. As for nuclear deterrence, some American nuclear scientists estimate that North Korea now has 20 to 26 kilograms of plutonium. According to them, that plutonium cannot be preserved but has to be forged into nuclear weapons. The US government, therefore, estimates that North Korea has an arsenal of six to eight nuclear weapons. In terms of bilateral negotiations with the US, North Korea has yet to achieve that goal.

Let us now look at US goals from a year ago. Our foremost goal was to prevent the proliferation of nuclear weapons in Northeast Asia, secondly to focus multilateral pressure on North Korea to achieve that goal, and thirdly to avoid engaging North

Korea in any diplomatic dialogue. Unfortunately, the first goal of nuclear non-proliferation has fallen short as North Korea has achieved a nuclear deterrence. In terms of multilateral pressure, that too is seriously faltering. The US has yet to forge a solid consensus and to contemplate multilateral pressure on North Korea. As for not rewarding North Korea, we still do not have talks except for the Six-Party Talks.

South Korea and Japan have made impressive progress toward their own goals. According to one senior Japanese diplomat, Japan's foremost goal in all of this is not necessarily nuclear non-proliferation but national security or the defense of Japan. As for South Korea, it is national reconciliation. South Korea, like Japan, the US and China, would like to maintain a nuclear free Korean Peninsula, but their foremost goal is to preserve peace and stability in the Peninsula through diplomacy with nuclear non-proliferation as a secondary goal. For Japan, achieving national security has meant engaging North Korea in bilateral negotiations contrary to Washington's preference. For South Korea, it has meant continuing to maintain bilateral ties with Pyongyang as well as a policy of economic and diplomatic engagement.

More recently, the Bush administration said it wants a Libyan style solution with North Korea, as in the complete, verifiable and irreversible dismantlement (CVID). The North Koreans have made it very clear that they would accept a Libyan style solution. However, what do North Korea and the US mean by these terms? As I understand, Pyongyang would accept a Libyan style solution if it contains negotiations as well as concessions. For Washington, a Libyan style solution means unilateral, voluntary disarmament by North Korea and only after that will Washington entertain the possibility of negotiations and concessions. Pyongyang's response is no. So the terminology is the same, but the definitions are totally different.

The same is true of CVID for which there is no common agreed upon definition in Washington. Everybody agrees that C is complete, I is irreversible, D is dismantlement, but that there is no agreement on verification. We now have the same problem we had in 1993-94—what do verifications or inspections mean? For some in the Bush administration, verification means inspections anytime, anywhere in the Democratic People's Republic of Korea (DPRK), open-ended acceptance by North Korea as well as inspections by representatives of the permanent five members of the Security Council, representatives of Japan and South Korea, and probably the International Atomic Energy Agency (IAEA). That would be totally unacceptable to North Korea. North

Korea's position today and ten years ago are identical—inspections conducted by the IAEA as well as returning to the Nuclear Non-Proliferation Treaty (NPT) are acceptable, but verification as defined by Washington is unacceptable. The solution for Pyongyang would be to hold talks, but Washington does not want to talk.

Let us now back away from the immediate problems and look at how Washington and Pyongyang are dealing with the bigger picture. As for Pyongyang, it is pursuing a policy of what I call a “shopping cart policy” in which Kim Jong-Il is going from area to area shopping for whatever aid and benefits he can get. In 1993-94, he only had access to Washington, DC which subsequently closed itself from North Korea. Due to this lack of communication and dialogue with Washington, DC, there was no international restraint that prevented Kim Jong-Il from developing his nuclear arsenal, and he has exploited that to the fullest extent possible. Secondly, he has been able to exploit the looseness of the multilateral situation. Furthermore, the US inability to maintain a two front-war today because of Iraq is a huge plus for Kim Jong-Il. A few months ago, Kim Jong-Il wanted security assurances, but the best security assurances he has are probably the US military incapacity to deal with a two-front confrontation. This all means that President Bush is under intense criticism from the European allies and South Korea for not consulting it prior to the decision to dispatch US forces from South Korea to Iraq.

Where are we now? North Korea has a very successful multilateral strategy. They are dealing bilaterally across the board with Japan, South Korea, Russia, China and so forth. On the other hand, the US does not have a successful strategy. Therefore, like I said last year, the US must not trust North Korea but deal with them right upfront via negotiations before giving Kim Jong-Il further initiative and flexibility to play his games. Secondly, the US should bring together its allies to form a multilateral team to concentrate pressure on North Korea. It would also have the resources to put together a package for North Korea. Right now, packages are provided on a per country basis. Tokyo has just made a substantial commitment to send food aid to North Korea to engage in bilateral normalization talks. South Korea, China and so forth are doing the same. It was through massive engagement—economic, diplomatic and so forth—that radically transformed China and the Soviet Union. A concentrated, coordinated, multilateral engagement process could essentially achieve a similar result with North Korea – radical regime transformation, not regime change. In my view, a Libyan type solution is impossible given the present US strategy of not engaging. If, however, the US does adjust its strategy, does team up with its allies and friends in Northeast Asia,

then such a solution could be achieved.

QUESTION AND ANSWER SESSION

Q: Although you mentioned that the US makes it difficult to apply the Libyan solution to North Korea, it seems that there is another important factor which is that Libya is an oil producer. What Libya wanted was an end to sanctions so that it could buy whatever it wants. It did not require aid from the outside world because Gaddafi has oil that he can sell. North Korea, however, has nothing to sell. It has neither industry, nor services, nor materials. What it wants is aid. That makes it a little bit more difficult because unlike the Libya case, money must be provided to North Korea.

A: Let me comment briefly. I also see in the comparison the ineffectiveness of economic sanctions. It is true that North Korea has nothing to sell except for ballistic missiles and so forth. Therefore, although economic sanctions were imposed on North Korea back in 1950, if anything, they have given the North Korean military the opportunity to dominate the economy. Also, economic sanctions give Kim Jong-Il a way to rationalize the shortcomings of his economic policies and economy. As a result, if sanctions are removed, he will have very little to prop him up. Another major difference is that Libya does in fact have oil. They needed to have the sanctions removed to give them more leverage. I agree with that. In either case, our goals are better served by lifting sanctions rather than preserving them. They do not promote the national interest.

Q: Prime Minister Koizumi himself and his aides have been stressing that his recent trip to Pyongyang made progress on all fronts including the nuclear issue. According to them, Mr. Kim Jong-Il told the prime minister that denuclearization of the Korean Peninsula as well as verification are necessary. Does that mean anything to you and the Bush administration in relation to the Six-Party Talks?

A: Mixed results have come out of Prime Minister Koizumi's visit, but I think it was important for the US in that it illustrated the potential positive consequences of bilateral negotiations. Japan's foreign policy has shifted from *komattana* or what should we do to *daijobu* or let's go do it. President Bush is impressed with that attitude on the part of Japan as well as with Koizumi's results. His visit also showed the nations in East Asia that Japan is standing up for itself and asserting itself. It does give Prime Minister

Koizumi considerable influence in the Bush administration.

Q: Assuming that Mr. Kerry is elected in November, how would his administration go about dealing with the North Korean nuclear issue?

A: To summarize Senator Kerry's foreign policy intentions, it appears that he will have an "anything but Bush" (ABB) policy, going back to those of the Clinton administration with some significant adjustments. Kerry expressed his intentions last week that he would pursue bilateral negotiations with North Korea and that he would be willing to entertain an exchange of concessions or a big package type of formulation. The one very significant difference between Bush and Kerry's CVID is that the latter seems to favor the possibility of maintaining the Korean Peninsula Energy Development Organization (KEDO) light water reactor (LWR) project and the possibility of including in a package deal two conventional natural gas for coal burning thermal power plants. South Korea was very positive about such an arrangement, but I think Japan is ambivalent, and Washington DC is very much opposed to that. In terms of North Korea preserving its nuclear deterrence, Kerry and Bush are in total agreement on North Korea having to fully surrender all its nuclear weapons building capability and plutonium.

Q: Are you assuming that President Bush will pursue essentially a similar or same strategy as now if he gets reelected?

A: I have no reason to assume otherwise. Every member of the Bush administration emphasizes that it is not going to alter course.

Q: Assuming there is major stabilization in Iraq by then.

A: Yes, that assumes that Iraq settles down. It also assumes that South Korea and Japan will not waver much further from President Bush's preferred path. Otherwise, that along with problems in Iraq might cause President Bush to adjust his strategy.

Q: Even if Kerry is elected President, reviving KEDO may not be that easy because of Congress's lack of enthusiasm for it as was shown during the Clinton administration. What do you think about the congressional side?

A: That is very significant and crucial, but the Bush administration has tended to

surrender leverage of KEDO to South Korea, which has funded 80% of the project.

Q: Some people say that North Korea is just waiting for Kerry to win because he mentioned bilateral. Can you please briefly clarify again the merits or demerits of bilateral and multilateral talks for both North Korea and the US?

A: I do not think the North Koreans are going to wait. In an on-the-record interview on May 12 between Ambassador Han Song Ryol and *USA Today* correspondent Barbara Slavin, Han Song Ryol made it very clear that North Korea wanted to move ahead with trilateral peace talks to replace the armistice. I also think Pyongyang now better appreciates that they really do not know Washington politics as well as they thought.

Q: I have two questions. During Prime Minister Koizumi's meeting with Kim Jong-Il last month, he said he might accept an international verification of North Korean nuclear facilities. Do you think it is a step forward to the solution of the nuclear issue? Secondly, do you think it is possible to have the third round of six way talks by the end of this month because we could not agree on anything during the working level meetings last month?

A: I do think Kim Jong-Il's remarks to Prime Minister Koizumi were important because having the former comment on nuclear issues on the record is important. My understanding of the North Korean position is that it will accept IAEA inspections as spelled out in their previous safeguards agreement with the IAEA. It would require North Korea to return to the NPT and to allow a complete dismantlement and oversight of the dismantlement of its current nuclear facilities. I do not think it is just words, but I do think Kim Jong-Il is thinking about it in terms of a big price tag. As for the Six-Party Talks, the only agreement that exists among the six parties is to meet. The talks have stalled since the beginning, however, and it is likely that little will be achieved in the upcoming talks in June besides agreeing to meet again in the future.

Q: Last year, you predicted that by December, North Korea would convincingly demonstrate to the world that it had nuclear weapons. I think you implied that that might include exploding a nuclear device. That did not happen. Now you are saying they have more nuclear weapons, but is there any convincing evidence that they have these nuclear weapons? If not, why not?

A: US intelligence shows that North Korea does have nuclear weapons—Pakistan provided everything North Korea needed to build them, and two American scientists found that North Korea had reprocessed spent fuel. All it takes is one that works. The solution, therefore, is not to challenge North Korea but to take its word that it has nuclear deterrence whether or not they have it. No matter how many inspections we have, we will never know.

Q: I think you said that some people in Washington are not comfortable with Koizumi going to North Korea, but you also said that Bush was impressed by what he did. Can you elaborate on how Washington views Prime Minister Koizumi's visit?

A: Prime Minister Koizumi's visit was contrary to Bush's strategy of no diplomatic talks and rewards as well as the US approach of 18 months ago to bring together the six parties, to get North Korea's submission via China and to have South Korea and Japan withhold economic benefits. Thus, the Bush administration had to make a tradeoff. It did not stop Koizumi from going to North Korea and it does not take issue publicly with what Prime Minister Koizumi has done, but privately, it has made it clear that his trip is not appreciated. However, I see a very subtle shift in power in Northeast Asia where the US is no longer the dominant power. Japan no longer follows Washington because it needs its approval, and likewise, South Korea is not going to back down on US pressure especially after the withdrawal of US troops.

Q: Do you think the US-Japan alliance will weaken following the path of US-South Korea relations?

A: No, I think President Bush has handled the US-Japan alliance much more astutely. Every major US official that has come to East Asia including has stopped in Japan when they did not stop in South Korea. There is also the issue of security alliance.

Q: What do you think is China's position on North Korean nuclear devices? Do they share the same concept regarding the denuclearization of North Korea?

A: As I understand, by the denuclearization of the Korean Peninsula, the Chinese do not mean the elimination of civilian dual use nuclear reactors. They do not expect 100% eradication and are apparently willing to allow North Korea to have two such reactors. On the other hand, Washington expects 100% elimination of all nuclear facilities.

Q: Considering the presidential election in the US or the possibility of North Korea developing more nuclear weapons, do you think we should pursue a negotiated settlement or a temporary solution?

A: My preference is to see a peaceful negotiated settlement. I share President Bush's goal fully but differ with the manner in which you go about achieving that. Due to the lack of progress in achieving a diplomatic solution with North Korea, it is worthwhile to consider the option of negotiation. If that does not work, the other option is war, which the US is not ready to pursue for the foreseeable future. Ultimately, the solution has to be complete. You are going to have to open the regime to the outside world and do exactly what we did with China with whom we have peaceful diplomatic and commercial relations. The solution is to engage the North Koreans just as we did with every other Communist society. If we do not engage them, we will not disarm them.

Q: On the issue of North Korean nuclear tests, one can make an argument from the North Korean point of view that testing a nuclear weapon would not be totally irrational because the US does not have the manpower to do anything and South Korea would refrain from provoking North Korea because other countries including China, Russia, the US and Japan have nuclear weapons or programs. In addition, China does not really want the collapse of North Korea because the outcome may be a unified Korea on the US side. Therefore, Kim Jong-II may continue to receive aid because nothing else can be done.

A: I think that is a very valid perception. However, if North Korea was to test a nuclear device, China would have to come down on it, which would not be in Kim Jong-II's interest. Furthermore, doing nothing about the North Korean nuclear threat will not accomplish anything. One option is to do nothing, and this did not work. The other option is to negotiate with North Korea which will not inevitably produce an agreeable solution, but it would strengthen the international consensus. If multilateral diplomacy negotiations do not work, other possible options can be explored.

Q: On the issue of North Korea's domestic problems, what is Kim Jong-II's current position on the North Korean economy?

A: Overall, there is no vigorous industrial activity other than in the military economy.

There is some mining but nothing of real significance. Chinese investment is lingering, and South Korea is not investing at all. In terms of economic reforms, Pyongyang has taken a number of steps to halt spiraling inflation by saturating the markets with Chinese goods. It also began to tax vendors and so forth at a rate of 30% on any money they make. Compared to the economic situation from 1995 to 1998, however, the situation has improved significantly. There is no longer any famine or starvation, and there is ample food supply after Kim Jong-Il turned to the international community, thus restoring his political position at the same time.

Q: Do you think there are right wing elements in South Korea that would take pride in the fact that the Korean people have nuclear weapons?

A: I cannot rule it out. South Korea did have a nuclear weapons development program in the 1970s, but I think the majority of South Koreans focus on continued economic prosperity, peace on the Korean Peninsula and negotiated settlement, and not so much on displaying their military prowess.

Q: When the military option was considered during the 1993-1994 crisis, half a million deaths were estimated to result. I recently heard that there was some change in that estimate. If you know anything about this estimate, could you let me know? Secondly, you emphasize multilateral engagement but attest that the Six-Party Talks are unproductive. Then what is the step we should take from here? Thirdly, you talked a little bit negatively about economic sanctions. Prior to the meeting between former President Carter and Kim Il Sung, there was a draft resolution being circulated at the Security Council which had an impact on the meeting. How do you evaluate that?

A: We estimated an excess of 500,000 deaths in the first days of combat, but the military consequences would be much greater today. In 1993, North Korea's ballistic missile capability to strike Japan was much less potent. The military solution is not a solution. It would wreak havoc on the international economy not just in the region but around the world. In terms of multilateral engagement, the Bush strategy is to use China to get North Korean compliance. That is not a multilateral strategy but coercive diplomacy. In 1993-1994, the US worked together with South Korea, Japan and other nations. North Koreans were completely ostracized in every international organization. The option of economic sanctions was considered under multilateral diplomacy, but Russia and China did not sanction the passage of such a resolution in June 1993. In

1994, the Chinese made it clear that at best they would abstain. That was sufficient leverage to convince Kim Il Sung to look for a face-saving way out by meeting with Carter.

Q: Is there any reason to believe that the US-Japan alliance will not follow the fate of the US-South Korea alliance even after considering the fact that Japan may be at the moment the only useful US ally in this region?

A: The US-South Korea alliance has always been in trouble. Given South Korea's history and so forth, it has always felt the need to assert itself vis-à-vis Washington. Tensions in the alliance today, however, are not necessarily going to put an end to the alliance. The US-Japan alliance has also been through some very difficult times but it remains strong primarily because Japan is in excellent economic shape. Just as President Bush needs Prime Minister Koizumi's support, the US and South Korea both need each other.

Q: About a year ago, Richard Perle suggested that the US consider bombing the Yongbyon reactors just as Israel bombed Iraq's reactors in 1981. However, an American diplomat told me that that was not a realistic approach because the US does not know exactly where all those North Korean nuclear warheads are stored. My question is not whether you agree with Richard Perle or the American diplomat, but does the US know the exact whereabouts of North Korean warheads?

A: I do not know if the US knows. There is, however, no real way for the US or any government to know the precise whereabouts of those weapons. Now that North Korea has more, it can scatter them and hide them in eight different places, and we have no way of knowing.