



## U.S.- ROK Relations Is There Light at the End of the Missile Tunnel?

By David Brown

The past three months have seen Washington and Seoul pursuing a full court press to persuade North Korea to back away from apparent plans for a test of the Taepodong II missile, which would increase tensions in Korea and destabilize the region. Fears of an imminent test in July gave way to optimism that the September U.S.-DPRK talks in Berlin had produced agreement on a “de facto moratorium” on testing. The coming weeks will show whether that moratorium can be developed into something more concrete and lasting. Meanwhile, South Korea’s desire to develop its own 500 km range missile remains a possible sore point, as do potentially differing views on resolving the naval boundary dispute between the North and South.

### **Focusing on the Missile Issue**

On July 3, the North-South Vice Ministerial talks in Beijing, which had been seen as a hopeful sign for North-South dialogue, broke down with Pyongyang demanding that Seoul apologize for the losses inflicted during the naval clash south of the Northern Limit Line (NLL) in June. With hopes of North-South dialogue squelched, the missile issue moved back to center stage.

In late June and July, there was palpable concern in Washington that Pyongyang was on the verge of testing a Taepodong II missile capable of reaching Alaska and possibly Hawaii. The concern was reflected in leaks to the media in Tokyo, Seoul, and Washington. It was fanned by repeated assertions from Pyongyang of its “sovereign right” to conduct missile tests and satellite launches. A CIA report to Congress in September belatedly made public the intelligence community’s conclusion that Pyongyang was capable of testing a Taepodong II missile at any time.

These concerns lead to a determined diplomatic effort to head off a test and to encourage Pyongyang to respond positively to the offer of a more constructive relationship that former Secretary Perry had presented to Pyongyang in May. This diplomatic effort involved both coordination of North Korea policy with Seoul and Tokyo, as well as further contacts with Pyongyang on the Perry proposals.

ROK President Kim Dae-jung’s visit to Washington and Secretary Cohen’s trip to Seoul, both in July, were used to convey public unity while wrestling privately with how the allies should respond if Pyongyang conducted another test. In addition to the bilateral consultations,

the U.S.-Korea-Japan Trilateral Coordination and Oversight Group (TCOG) met twice. Foreign Ministers Albright, Hong, and Komura met at the ASEAN Regional Forum (ARF) in Singapore, and President Clinton, President Kim, and Prime Minister Obuchi held a trilateral on the margins of the Asia Pacific Economic Cooperation (APEC) meeting in Auckland. The basic message was clear. The allies offered Pyongyang more constructive relations and warned North Korea not to conduct another Taepodong missile test. However, the signals from Seoul, Washington, and Tokyo about the consequences of a further test contained nuances of difference, and it was not clear how the leadership in Pyongyang might interpret the somewhat different signals.

The first public hint of some flexibility in Pyongyang's position came in an interview that Party Secretary Kim Yong Sun gave CNN in mid-August indicating that the missile issue might be resolved through talks. However, the meaning of his remarks was clouded by a DPRK Foreign Ministry statement that drew a distinction between missile tests, which could be discussed, and North Korea's sovereign right to launch satellites.

A crucial round of talks was held in Berlin in September between U.S. negotiator Ambassador Charles Kartman and DPRK Vice Foreign Minister Kim Gye Gwan. When the talks concluded on September 12, the two sides released a short statement saying they had agreed to "preserve a positive atmosphere" in anticipation of further talks on missiles and the easing of U.S. economic sanctions. Subsequently, President Clinton's National Security Advisor Samuel Berger announced that North Korea had agreed to "freeze" its long-range missile program during an extended period while talks continue. This produced a mood of relief and even euphoria for some in Seoul and Washington who referred to the negotiating outcome as an "agreement" and a "break through."

On the understanding that Pyongyang was prepared to freeze its missile tests, President Clinton moved rapidly and announced on September 17 a very broad easing of economic sanctions on North Korea--a move that had long been requested by Kim Dae-jung as part of his "Sunshine Policy" of enhanced engagement with the North. A few days later, Pyongyang made its first public reference to the Berlin talks when it issued a statement welcoming the easing of sanctions but calling on the U.S. to do more. Subsequently, former U.S. Defense Secretary William Perry, who returned to Asia for more consultations with allies, said in Seoul that he anticipated that within a few weeks Pyongyang would announce unilaterally a moratorium on missile testing. On September 24, the Foreign Ministry spokesman in Pyongyang stated that North Korea would not test missiles while talks with Washington continued. Administration officials expected that negotiations will continue in the coming weeks with Vice Foreign Minister Kim Gye Gwan and a more senior North Korean official who is expected to visit Washington.

The public reaction in Seoul and Washington to these signs of possible progress on the missile issue has been mixed. In Washington, conservative critics of administration policy have again charged that Pyongyang is being rewarded for threatening behavior. However, many moderate voices in the Congress are willing to give the Administration some time to demonstrate that its easing of sanctions will produce a halt of North Korea's missile program. Seoul has officially welcomed the Berlin understanding and at times claimed that Kim's Sunshine Policy produced this progress. Outside government circles, the reaction in Seoul has been mixed and concern has been expressed that once again the U.S. is monopolizing talks with Pyongyang while Seoul is sidelined.

As if anticipating this criticism, the Kim Administration had been engaged in a very active diplomacy this quarter. In addition to President Kim's visit to Washington, ROK-Japan security bilaterals took place in Tokyo in July and the first joint exercises between the ROK and Japanese navies were held in August. ROK Defense Minister Cho Sung-tae made the first ever visit to China in August, and Russian Defense Minister Surgeyev visited Seoul in September. This diplomacy was intended in part to preempt potential charges that Seoul was again consigned to the sidelines.

### **A Testing Moratorium, Why?**

Administration officials in Washington anticipate that negotiations with visiting North Korean officials over the coming weeks will convert a "de facto" testing moratorium into a formal North Korean commitment. To be acceptable in Washington, Tokyo, and Seoul, the commitment will have to cover all long-range missiles and satellite launches and address their testing, development, and deployment. Whether and how that can be accomplished remains to be seen. If it is, what will account for Pyongyang's forgoing its "sovereign right" to test and accepting limits on its missile programs? Given the lack of access to Kim Jong Il and his immediate advisors, the answer can only be guessed.

One school of thought is that North Korea has become addicted to the foreign exchange and material benefits it is receiving through KEDO, food aid, the Kumgang mountain tourism project, and other sources. Despite mixed signals from the allies on how much of these resources would be lost, Pyongyang may have concluded that the financial costs of further testing would be substantial. With its economy still in dire straits, Pyongyang may not be willing to risk losing these resources. Hence it is exploring what more it can obtain from agreeing to defer or forgo further testing. Such thinking lies behind claims in Seoul that Kim's Sunshine Policy can take some credit for the progress in Berlin.

Another view focuses on Pyongyang's security calculations. It posits that Kim Jong Il has decided to explore whether more can be gained for North Korea's security through negotiations with Washington than through further missile tests. This would be consistent with Kim's assumed strategy that normalizing relations with the U.S. is the key to improving North Korea's bargaining position vis-a-vis South Korea. It seems likely that Pyongyang values the lifting of sanctions primarily because they have been seen as a symbol of U.S. "hostility" towards North Korea, rather than because Pyongyang wishes to expand economic relations with the U.S. In this view, Pyongyang prizes the lifting of sanctions because it is a step toward improved relations with Washington.

The degree of unity the allies displayed and Washington's consistent advocacy of Perry's proposals were probably factors in Pyongyang's calculations. Clinton Administration officials say that Pyongyang was surprised by the speed with which the decision to ease sanctions was made and announced. As North Korea's missile test last year accelerated U.S. and Japanese planning for theater missile defense, Beijing has a strong interest in North Korea's postponing further missile tests. What influence Beijing may have exerted is unclear. Beijing's decision to go forward with ROK Defense Minister Cho's visit to China in the midst of intense international concern over the missile issue probably raised questions in Pyongyang about

whether Beijing could be counted on to support North Korea in a confrontation provoked by a further missile test.

A moratorium is a significant but reversible step. A commitment to forego further testing and deployment would be a much more serious decision involving major constraints and costs for Pyongyang. The North Korean military has devoted considerable effort and scarce financial resources to developing these new capabilities to deter what they perceive as Japanese and American hostility. The erstwhile satellite launch last year was trumpeted domestically as the most significant achievement under Kim Jong Il's leadership. Whether even a costly package of economic benefits will be sufficient to justify abandoning these major national priorities remains to be seen.

Consequently, it is probable that the coming negotiations will see Pyongyang seeking ways to preserve future testing options, such as exceptions for satellite launches, testing systems abroad (as they did with the Nodong), prolonging the moratorium without formal agreement, or even a supervised testing regime. While these would not satisfy Washington, pursuing them would be consistent with the North's past negotiating behavior and with the difficult decision which a commitment not to test would involve.

### **Managing Other Bilateral Issues**

Despite differing priorities, Seoul and Washington have been remarkably successful in pursuing mutually consistent strategies toward North Korea. Several other issues have also required careful alliance management.

Foremost among these is South Korea's desire to develop a 500 km range missile as a deterrent against the intermediate range North Korean missile threat. President Kim raised this issue, which had been simmering for several months at the bureaucratic level, when he met President Clinton in Washington. While restrained in public, the U.S. government is troubled by the regional security and non-proliferation implications of a close ally developing weapons that exceed the limits established for missile exports under the Missile Technology Control Regime (MTCR). However, when Secretary Cohen visited Seoul in July, he committed the U.S. to work with Korea toward a mutually satisfactory solution. One round of talks was held in July and another is expected in the near future. It appears that both sides are seeking ways to accommodate the other's concerns. However, no agreement has been reached.

Another source of strain has come from continuing North Korean pressure on the Northern Limit Line (NLL) in the sea area west of the DMZ. After having been bested in a naval battle in June, Pyongyang tried to use the General Officers Talks in Panmunjom to demand that the U.S. agree to discussions on revising the NLL. Seoul and Washington countered by saying the issue should be discussed between the North and South by reconstituting the Military Commission called for in the North-South Basic Agreement of 1991.

Pyongyang refused that. Unable to get its way in Panmunjom, on September 2 Pyongyang declared the NLL to be invalid, proclaimed its own version of a sea boundary in that area and threatened that it would enforce its claims in ways of its own choosing.

Seoul and Washington have been united in warning the North not to violate the NLL and in their procedural suggestions, but beneath the surface some differences exist. Washington views the NLL, which was defined unilaterally by the UN side, as a practical, rather than legally binding, arrangement and believes Pyongyang's demand to discuss it is reasonable. Consequently, rather than fully supporting the ROK position on the NLL, the U.S. has stated publicly that jurisdiction over this sea area is subject to dispute. Also, while warning the North not to use force to challenge the NLL, some U.S. officials have said privately that there are arguments under international law for, as well as against, the alternative sea boundary proposed by Pyongyang. These differences have not become significant issues in part because the procedural wrangling has blocked serious discussion of the issue.

As would be expected during a period of intense concern over the possibility of another missile test, little progress has been made on the Korean Peninsula Energy Development Organization's (KEDO) Light Water Reactor (LWR) project. The Korean National Assembly finally completed authorization for the Korean financial contributions to the LWR project in August. The negotiations of the prime contract between KEDO and the Korea Electric Power Corporation (KEPCO), which have been under way for two years, have not been concluded. Consequently, KEDO had to make a further extension of the preliminary work contract so that preparatory work could continue. KEDO has expressed the hope that the prime contract can be concluded in time for construction to begin by the end of the year.

On the economic front, a much hoped for bilateral investment treaty (BIT) proved too difficult for the Clinton and Kim Administrations to conclude. When Kim met with Clinton in July 1998, he stated this would be a priority for his Administration, and U.S. officials saw the treaty negotiations as a test of Kim's new open door policies. After all, the U.S. has wanted this for years but always encountered deep resistance from ROK economic officials to meet the stringent U.S. standards for a BIT. A deal was expected to be announced during the July 1999 summit, but even though officials broke through many logjams during the year of negotiations, it was the motion picture industries in both countries that scuttled the deal. The issue? South Korea's screen quota requiring theaters to show a minimum number of Korean films. The American Motion Picture Association lobbied heartily against the pact, and the concerted efforts of trade officials to phase out the quota system met with such a fanfare of criticism that he had to back off. Although the two countries may try again, it is safe to say that this was indeed not a test of Kim's new policies but a demonstration of how powerful interest groups can successfully push narrow agendas in any democratic market economy.

## **Policy Implications**

The Berlin talks and subsequent developments have eased tensions in Korea, at least temporarily. Whether and how the current pause in North Korean missile tests can be transformed into a mutually agreed moratorium will depend on developments over the coming months. The expected negotiations will not be trouble free, even if they are ultimately successful.

The missile testing issue is, however, only one element in the comprehensive package that former Secretary Perry presented to North Korea. Other elements include adherence to the Agreed Framework on the nuclear issue, reaching agreement on North Korea missile exports,

the reduction of tensions along the DMZ, and North-South dialogue. Perry's proposals and Kim Dae-jung's engagement policy will continue to present North Korea with a basic choice between fearful isolation and reform and opening.

The decision to postpone missile testing does not imply that North Korea is prepared to open up. Nor has there been any other significant indication that Kim Jong Il is pursuing reform. Hence, there is still little prospect that North Korea is yet ready for reconciliation with the South and integration with the rest of Asia.

Seoul and Washington's ability to pursue mutually consistent policies and to coordinate closely with Tokyo have been impressive. This intensified pattern of consultations bodes well for the difficult negotiations and other challenges that lie ahead.

### **Chronology of U.S.-Korea Relations July - September 1999**

**July 2, 1999:** Clinton-Kim summit meeting in Washington; President Kim seeks support for ROK development of a 500km missile.

**July 3, 1999:** North-South Vice Ministerial Talks in Beijing end in recriminations.

**July 26, 1999:** DPRK Foreign Ministry statement appears to implicitly reject Perry's proposals.

**July 27, 1999:** U.S., Korean and Japanese Foreign Ministers' joint statement on North Korea.

**July 28-29, 1999:** Secretary Cohen in Seoul for consultations; U.S.-ROK missile talks.

**Aug 5-9, 1999:** 6th Four Party Peace Talks; session ends without progress.

**Aug 11, 1999:** Daewoo creditors demand major corporate restructuring.

**Aug 12, 1999:** Korean National Assembly authorizes funding for KEDO LWR project.

**Aug 16-27, 1999:** Ulchi Focus Lens U.S.-ROK military exercise.

**Aug 18, 1999:** DPRK Foreign Ministry statement indicates willingness to discuss missile development, but reserves sovereign right to launch satellites.

**Aug 23-25, 1999:** ROK Defense Minister Cho visits China.

**Sept 2, 1999:** KPA statement declares NLL to be invalid, asserts new sea boundary.

**Sept 7-12, 1999:** U.S.-DPRK talks in Berlin; agreement to maintain "positive atmosphere."

**Sept 12, 1999:** Clinton-Kim-Obuchi meeting reaffirms cooperation on North Korean issues.

**Sept 17, 1999:** Washington announces easing of economic sanctions.

**Sept 22-23, 1999:** Secretary Perry in Seoul for consultations.

**Sept 24, 1999:** North Korea announces it will not test missiles while talks continue.