

**U.S.-Korea Relations:**

**In the Eye of the Beholder:**

**Impasse or Progress in the Six-Party Talks?**

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Contrary to expectations, the six-party talks on the nuclear issue with North Korea failed to reach an agreement or even release a joint statement after several days of negotiations in late February. North Korea balked at accepting the eventual “complete, verifiable, and irreversible dismantlement” of its entire nuclear program, which would have included ending any future capability for peacefully generating nuclear energy. Had North Korea agreed to the goal of dismantlement, the U.S. was reportedly prepared to accept Pyongyang’s offer to *freeze* its nuclear program in exchange for energy assistance that South Korea, Russia, and China would have supplied.

Despite the inability of the talks to take any substantive first steps, the U.S. positively assessed the meetings as making a “good deal of progress,” especially in their agreement to “institutionalize” the process of negotiation by establishing working groups. The U.S. was also pleased that Russia and China endorsed for the first time, the U.S. goal of fully dismantling North Korea’s nuclear program, verifiably and irreversibly.

Looking toward the next round of talks, scheduled to occur no later than the end of June, it will fall mainly to China to bridge the U.S. and North Korean positions. If China fails to broker an agreement, the continuing impasse in the negotiations, in the context of the U.S. presidential campaign, may ratchet up significant domestic political pressure on U.S. President George W. Bush to take tougher measures against North Korea.

On other security issues, South Korea’s National Assembly approved, during this quarter, President Roh Moo-hyun’s proposal to dispatch 3,000 Korean troops to Iraq to assist U.S.-led coalition forces. The original deployment plans were scuttled by the violence in Iraq and are being reassessed. U.S. and South Korean defense officials also continued their consultations on how best to carry out the agreed transfer of the U.S. military command from central Seoul to a more southern location by 2007.

Finally, in U.S.-Korea trade talks, negotiators temporarily settled a dispute over South Korea’s pending adoption of a new single national standard for accessing the internet through cell phones. If South Korea were to adopt this standard, it would shut a major U.S. company, which has developed an alternative technology for the same purpose, out of the Korean market.

## **North Korea meets an unofficial U.S. delegation**

Early in the quarter, North Korea continued its posturing on the nuclear issue, apparently trying to keep the United States off-balance. On Jan. 5, North Korea characterized its earlier offers to “freeze” its nuclear weapons program and not to test any nuclear weapons as a “bold concession.” Inasmuch as North Korea was primarily reiterating the same commitment it made in the 1994 Geneva Agreed Framework (to maintain a freeze), it was hard for the U.S. to give credence to North Korea’s claim of making any “concession” at all. At the same time, the U.S. could not fail to notice that North Korea’s offer *not* to test was an off-handed way of confirming that it already possessed nuclear weapons and was capable of testing them if it chose to do so.

North Korea stressed this second point in its meeting with a visiting unofficial delegation of U.S. nuclear experts in early January. After bringing the delegation to “inspect” its nuclear facilities, North Korea displayed what it termed its “nuclear deterrent” to the visitors. In subsequent testimony to a U.S. congressional committee, nuclear expert Sig Hecker stated that his visual observation alone was insufficient to verify North Korea’s claim of possessing fissile material for weapons.

North Korea’s apparent purpose in making a new concession to the United States while trying to demonstrate its nuclear prowess was to strengthen its negotiating position going into the second full round of six-party talks. On the one hand, the alleged concession served to deflect pressure against it from China – host of the upcoming six-party talks – by showing North Korea’s seeming good faith and flexibility. On the other hand, North Korea increased the value of the main asset it would have to give up at the negotiating table: its suspected nuclear weapons program.

North Korea’s continuing focus on a freeze was, of course, at odds with the U.S. position calling for the complete, verifiable, and irreversible *dismantlement* (“CVID,” as diplomats have termed it) of Pyongyang’s nuclear program. In advance of the upcoming round of six-party talks, it raised the question of whether the U.S., with its allies South Korea and Japan, would move closer to the North Korean position (perhaps by accepting a “freeze” as a stepping-stone to dismantlement) and how China would attempt to bridge the two conflicting positions.

## **Foreign Minister Yoon fired for excessive pro-American views**

During early January, South Korea’s President Roh Moo-hyun moved to replace the country’s highly respected foreign minister, Yoon Young-kwan, after a dispute between the president’s National Security Council staff and the Foreign Ministry. News reports had it that Minister Yoon and the ministry’s North American division were too “pro-American” and failed to follow directives coming from the National Security Council.

Some U.S. and South Korean observers feared that the policy outcome of this bureaucratic infighting could be a more “independent” South Korean approach to international issues (as the Blue House’s NSC staff proclaimed in one public statement)

that could undermine the U.S.-South Korea alliance at a critical time. Worries on the U.S. side were partially allayed, however, when President Roh appointed career diplomat Ban Ki-moon to replace Yoon. Ban has been a strong supporter of close U.S.-South Korea ties and is well-known to U.S. officials after serving diplomatic tours in Washington. Despite welcoming Ban as foreign minister, some U.S. diplomats expressed severe displeasure about the incident, which they believed showed the “immaturity” of certain officials on South Korea’s NSC staff who were motivated by “misplaced nationalist sentiments.”

### **Diplomatic maneuvering prior to the six-party talks**

With no date yet announced for the second round of six-party talks, the U.S., Japan, and South Korea met in late January to coordinate a joint position. The result of their discussion was a reported agreement to press for nuclear inspections and acceptance of the goal of eventual nuclear dismantlement by North Korea in exchange for a freeze. Japan reportedly urged the U.S. to seize Pyongyang’s offer of a freeze, though it fell short of the U.S. primary goal of dismantlement. South Korea apparently expressed concern that unless the allies also provided new fuel oil shipments to North Korea (of the kind the U.S. suspended in 2002 after discovering Pyongyang’s alleged uranium-enrichment program for nuclear weapons), North Korea would not agree to the freeze.

On Feb. 1, U.S. Assistant Secretary of State for Pacific and Asian Affairs James Kelly met with South Korean officials in Seoul to fine-tune the joint negotiating position for the next round of six-party talks. South Korea reportedly urged the U.S. to factor into the trilateral negotiating position the recent progress in North-South relations. South Korea was deeply concerned that the unresolved nuclear issue could undermine North-South detente, though South Korean officials also stressed how improved North-South relations could foster progress in the multilateral talks. Assistant Secretary Kelly reportedly showed greater U.S. flexibility on the issue of allowing South Korea to provide energy assistance to North Korea before Pyongyang embarked on dismantling its nuclear weapons program (though U.S. policy ruled out any U.S. assistance of this kind). In a public statement, Kelly acknowledged that improved North-South relations also helped to advance the progress of the six-party talks.

Given factional splits within the Bush administration over policy toward North Korea, Kelly was walking a fine line. Under pressure from Japan, South Korea, and presumably China to accept North Korea’s offer of a freeze, Kelly nevertheless knew that Bush administration conservatives would expect to see real progress toward dismantlement and inspections before agreeing to offer any concessions (such as energy aid) to North Korea. Judging from statements and commentary surrounding the trilateral talks, it appears that Kelly and the State Department favored accepting North Korea’s freeze offer and acquiescing in Seoul’s energy assistance to Pyongyang, so long as this “interim deal” could be legitimately portrayed as a step toward nuclear dismantlement. The fact that the six-party talks, which ran from Feb. 25 to 28, could not reach consensus on an agreement of this kind reveals the difficulty in bridging the U.S. and North Korean positions under current conditions.

## Proceedings and results of the six-party talks

During the late February round of talks, in addition to carrying on discussions in the plenary multilateral forum, the U.S. and North Korea conducted bilateral sessions to exchange views directly about the nuclear issue. According to subsequent congressional testimony from Secretary Kelly, the U.S. told North Korea that if it renounced nuclear weapons in the same way that Libya is currently doing, it could open a process leading to full normalization of relations with the United States. “[We said that] when North Korea’s nuclear issue is resolved, discussion would be possible on a wide range of issues that could lead to an improvement or normalization in relations,” Kelly told senators. He noted that this would include reaching understandings with North Korea on its missile program, conventional force deployments, and human rights.

The tangible results of the February six-party talks were not impressive to observers focusing on the ability of the parties to produce a substantive agreement. Instead of a joint statement of all the parties, China issued a “Chairman’s Statement” that characterized procedural progress at the meeting in an upbeat way. China stressed that the parties had agreed to another round of talks during June 2004 and would form “working groups” to discuss technical issues pertaining to nuclear weapons in a more detailed way.

What apparently prevented a joint statement, let alone a substantive interim agreement, was North Korea’s refusal to commit to the goal of dismantling its nuclear programs altogether or to accept nuclear inspections. To the chagrin of the United States, Pyongyang insisted on its right to maintain a peaceful nuclear energy production capability, even after freezing its weapons program. It was perhaps not surprising that North Korea emphasized this point since the Agreed Framework explicitly allowed Pyongyang to continue its peaceful nuclear program by building two light-water reactors. Indeed, the light-water reactors were part of the *quid pro quo* offered to Pyongyang for giving up its ability to build nuclear weapons. From the U.S. standpoint, the major positive outcome of this round of talks was China and Russia’s apparent endorsement of the U.S. position that North Korea should fully dismantle its nuclear facilities.

Rather than emphasize the shortcomings of the talks, Secretary of State Colin Powell gave a surprisingly positive assessment. In Powell’s view, the talks yielded “a good deal of progress,” especially in the agreement to “institutionalize” the process by establishing working groups. Powell stressed that, at the talks, “the United States, South Korea, Japan, China, and Russia have made it clear to North Korea that a better future awaits them, that none of these nations is intent on attacking them or destroying them, or exhibiting hostile intent toward them. Instead we want to help the people of North Korea, who are in such difficulty now. But it must begin with North Korea’s understanding that these programs must be ended in a verifiable way.”

## Preparing for the next round of six-party talks

Looking toward the next round of talks, it will fall largely to China to bridge the U.S. and North Korean positions. As noted earlier, North Korea appears to be trying to resurrect the deal embodied in the 1994 agreement, which entailed a freeze on its current nuclear program in exchange for agreement from the U.S., South Korea, and Japan to provide temporary energy assistance (through fuel shipments) and to build a new, much more highly safeguarded peaceful nuclear capability. The Bush administration's demand for CVID of all of North Korea's nuclear capabilities (including its entire nuclear energy production program) cuts much more deeply than the Clinton administration position, even though the Bush administration is offering less upfront *quid pro quos* than did the previous U.S. administration.

To bridge this gap and prevent an impasse in the six-party talks, it is likely that the U.S. will have to offer more incentives to North Korea at an earlier stage in the negotiating process to obtain North Korea's acceptance of the tougher U.S. demands. Moreover, this greater and earlier *quid quo pro* will have to be coupled with significant pressure from China on North Korea to accept such an arrangement as a first step. Without this combination of carrots and sticks, it is hard to see how a diplomatic agreement, based on consensus and perceived mutual benefit, can be reached. If the U.S. merely holds out the prospect of *long-term* material benefits as well as *long-term* security assurances and diplomatic normalization in return for *short-term* North Korean actions to end its nuclear program irreversibly, it is highly unlikely that the parties can agree on the terms of a diplomatic settlement.

Another underlying point of dispute in the six-party talks was North Korea's continuing refusal to admit trying to enrich uranium as fissile material for nuclear weapons. Pyongyang's alleged admission of such a program to a visiting U.S. delegation in the fall of 2002 triggered the current nuclear crisis, but North Korea has denied any effort to enrich uranium since that time. Pakistan's current investigation of nuclear weapons developer Abdul Qadeer Khan has generated reports that Khan illicitly shipped highly enriched uranium-related equipment and materials to North Korea, but the Pakistan government, to date, has refused to confirm it.

It is likely that this issue will have to be addressed to achieve a stable diplomatic resolution of the nuclear issue. If the U.S. and other countries believe North Korea is conducting a clandestine HEU development program while North Korea flatly denies it, the U.S. would find it impossible, for both security and political reasons, to enter into any agreement. If North Korea, for reasons of "face," is incapable of admitting its HEU-related activities, diplomats will have to find a way to expose and end this program *without* an official (and undisputed) admission of its existence from Pyongyang.

## **Dispatch of Korean troops to Iraq and U.S.-Korea base negotiations**

On Feb. 12, South Korea's National Assembly approved President Roh's proposal to send 3,000 troops to Iraq to support U.S.-led coalition forces. At full strength, this deployment will give South Korea the third largest number of foreign troops on the ground in Iraq, after the United States and Britain. The South Korean troops were to be sent to the northern Kirkuk region of Iraq in late April, preceded by an advance team of 500 troops which were scheduled to arrive in March. The South Korean force will reportedly be built around two 1,000-person strong brigades that focus on civil affairs and reconstruction. The brigades will also include two Special Forces battalions, a guard battalion, and an armored company. They will be joined by additional medics, engineers, and headquarters units.

The original plans for the South Korean deployment to Kirkuk were scrapped when the U.S. decided to keep a contingent of its own military forces in the area to continue raids and other offensive missions. That conflicted with the parliamentary mandate for the South Korean forces, which restricted the troops to peacekeeping and reconstruction efforts. Seoul then consulted with the U.S. on where to redeploy the troops. An ROK fact-finding team will be dispatched in early April to examine two possible sites in the Kurdish autonomous regions near the Iranian border. After additional consultations, the ROK forces will be deployed, but probably not until June.

During two days of U.S.-South Korean defense consultations that started on Feb. 13, officials discussed the South Korean deployment to Iraq, but spent the bulk of their time trying to iron out differences on the previously agreed transfer of the U.S. military command from Yongsan Army Base in central Seoul to a more southern location by 2007. Besides discussing how to apportion the cost of this transfer, officials continued to debate the modalities for South Korea assuming responsibility for guarding the so-called Joint Security Area which adjoins the border village of Panmunjom.

## **U.S.-Korea trade talks**

At a regular bilateral meeting of U.S. and Korean trade officials on Feb. 25, negotiators agreed on steps to resolve an issue that threatened to become a major point of dispute: South Korea's pending adoption of the so-called "wireless internet platform for interoperability" (WIPI). If South Korea were to adopt WIPI as the single national standard for accessing the internet through cell phones, it would effectively shut out of the Korean market a major U.S. company, Qualcomm, which has developed an alternative technology that performs the same function. Trade negotiators effectively agreed on the mutual compatibility of these two technologies and decided to look for alternative ways of addressing the overall issue of wireless technology standardization.

Negotiators also discussed the progress of a bilateral investment treaty (BIT) between the two countries. Discussions on a BIT have been stymied by U.S. objections to the South Korean "screen quota" which protects the local film industry and prevents foreign film makers from freely showing movies in South Korean cinemas. Earlier in the quarter, the

South Korean Fair Trade Commission (FTC) attacked the screen quota as “anti-competitive” and vowed to investigate its market impact. But it was not clear that any recommendation of the FTC to reduce or eliminate the screen quota would be sufficient to overcome support for the quota from the Ministry of Culture and the South Korean film industry.

U.S. and South Korean trade officials reportedly did not take up the issue of South Korea’s temporary ban on the import of U.S. beef that resulted from the widely reported U.S. case of “mad cow disease.” Although U.S. Department of Agriculture officials have underscored the safety of U.S. beef exports and expressed annoyance at the South Korean action, the two governments decided not to put this issue on the official agenda of the trade talks. Perhaps in an effort to leverage its position on other agricultural issues, South Korean officials urged the U.S. to accept additional imports of Korean cucumbers, watermelon, musk melon, and paprika. The U.S. responded that it would attempt to resolve these issues by the end of the second quarter of 2004.

### **Impeachable offense?**

The attempt to impeach President Roh could have an effect on U.S.-ROK relations, although it was, strictly speaking, a purely domestic affair. On March 12, the opposition parties in the South Korean National Assembly passed an unprecedented motion to impeach the president. The motion was based on statements that he made that violated election statutes that require executive officials to maintain neutrality in elections. The Election Commission conceded the comments, which endorsed the Uri party, broke the law, but said they were minor infractions. Undaunted, the opposition sensed an opportunity and passed the motion to impeach Mr. Roh.

The move looks set to backfire. Although the public is deeply divided in its support for the president, opinion polls show 70 percent think the impeachment vote goes too far. The most recent surveys show Uri leads its closest rival, the conservative Grand National Party, by a 2-1 margin, which means that the April 15 vote could transform ROK politics. Since Uri is composed of more radical members of the opposition, the result is likely to be a legislature more supportive of Mr. Roh – and more critical of the U.S. (even though the U.S. has taken no stand on the outcome of the impeachment and called for the respect of democratic processes in the ROK). The Constitutional Court has to rule on the legality of the impeachment vote, but its conclusion is likely to be influenced by the April elections. Compounding the ironies, the stand-in president is Prime Minister Goh Kun, who is more conservative than Mr. Roh and who has done well to strengthen relations with the U.S.

### **Prospects**

A perplexing question arising out of the February six-party talks is why the U.S., in particular, gave an upbeat assessment of their “progress,” although the parties could not even agree on a joint statement containing some substantive steps toward diplomatic agreement. In stressing the value of “institutionalizing” the six-party *process* through

newly organized working groups, the U.S. appeared to be doing its utmost to keep the negotiations alive. Perhaps the U.S. sought to avoid publicly highlighting the impasse in the talks – at a time when it is facing significant difficulties in Iraq – since a widely perceived breakdown in the negotiations could lead to a new crisis in Northeast Asia at an undesired moment.

If the six-party talks do not bear fruit at their next round, however, the underlying impasse in the negotiations will be too obvious to cover up with benign rhetoric. Bush administration conservatives can then be expected to highlight the “failure of the diplomatic track” and call for tougher measures, including UN sanctions and preparatory military steps, to demonstrate U.S. resolve on the nuclear issue. In the context of the U.S. presidential campaign, the domestic political pressure on President Bush to show “tough-minded leadership” in dealing with North Korea may prove difficult to resist.

### **Chronology of U.S.-Korea Relations January-March 2004**

**Jan. 6, 2004:** North Korea in “bold concession” to U.S. offers not to test or produce nuclear weapons and to freeze its nuclear facilities.

**Jan. 8, 2004:** South Korean Foreign Ministry expresses “regret” over U.S. move to put South Korea on “priority watch list” for intellectual property rights violations.

**Jan. 10, 2004:** North shows its “nuclear deterrent” to visiting unofficial delegation of U.S. experts.

**Jan. 14, 2004:** President Roh accepts resignation of Foreign Minister Yoon Young-kwan.

**Jan. 15, 2004:** Roh appoints veteran diplomat Ban Ki-moon as foreign minister; departing Minister Yoon calls for “balance” in South Korea’s foreign policy.

**Jan. 17, 2004:** U.S. and South Korean defense officials reach agreement on the relocation of U.S. troops to Pyong-taek and the return of Yongsan Army Base to South Korea by the end of 2007.

**Jan. 21-22, 2004:** TCOG meeting in Washington. U.S., South Korea, and Japan reach agreement on pressing North Korea to agree to nuclear inspections at the six-party talks. International Institute for Strategic Studies says North Korea could complete uranium enrichment program in two years and begin producing 5 to 13 nuclear bombs per year.

**Jan. 27, 2004:** South Korea tells U.S. government delegation it will maintain its ban on imported U.S. beef due to concern about “mad-cow disease.”

**Feb. 1, 2004:** Assistant Secretary Kelly visits Seoul and says North-South talks assist the progress of the six-party talks.



**Feb. 2, 2004:** North Korea says new round of six-party talks will begin Feb. 25 in Beijing.

**Feb. 7, 2004:** Seoul provisionally suspends import of U.S. poultry because of reported bird-flu cases.

**Feb. 12, 2004:** National Assembly approves dispatch of 3,000 South Korean troops to Iraq. U.S. and South Korean military officials meet in Seoul to discuss transfer of U.S. forces out of Yongsan Army Base.

**Feb. 21, 2004:** South Korean FM Ban calls on North Korea to allow inspections of its nuclear facilities.

**Feb. 22, 2004:** South Korean Unification Minister Jeong calls for more U.S. flexibility at upcoming six-party talks.

**Feb. 23, 2004:** U.S., South Korea, and Japan hold trilateral talks in Seoul, in advance of upcoming six-party talks.

**Feb. 28, 2004:** Six-party talks end in Beijing with agreement to meet again by the end of June and to form working groups to facilitate greater progress.

**March 3, 2004:** FM Ban meets with Secretary Powell to discuss North Korea-related issues.

**March 12, 2004:** National Assembly impeaches President Roh.

**March 13, 2004:** Secretary of Homeland Security Tom Ridge meets interim President Goh Kun; U.S. and South Korean defense officials confirm U.S.-South Korea alliance.

**March 14, 2004:** *New York Times* reports Pakistan's Khan Research Laboratories provided North Korea with all necessary equipment to enrich uranium for nuclear weapons.

**March 15, 2004:** FM Ban warns North Korea not to use impeachment of President Roh as pretext to stall on moving ahead with six-party working groups.

**March 15, 2004:** U.S. aircraft carrier *USS Kitty Hawk* arrives at Pusan port to participate in U.S.-ROK joint military exercises.

**March 16, 2004:** Pyongyang denounces the State Department's recent report, which charges the DPRK with being involved in state-sponsored drug smuggling, as another political plot by the U.S. against North Korea.

**March 17, 2004:** DPRK accuses the U.S. of instigating the impeachment of South Korean President Roh.

**March 19, 2004:** ROK halts plans to deploy forces to Kirkuk, Iraq. Government official states the ROK will eventually dispatch the troops, but only after finding a safer location.

**March 19, 2004:** President George W. Bush delivers his White House address on the first anniversary of war in Iraq; recognizes Japan's and the ROK's historic troop commitments to help bring peace to Iraq.

**March 19, 2004:** U.S. Deputy Secretary of State Richard L. Armitage acknowledges the importance of ROK's cooperation with the U.S. in the war against terror; considers ROK's generous financial contributions, military support and decision to dispatch 3,000 additional troops to Iraq as very significant commitments.

**March 22, 2004:** North Korea cancels rapprochement talks with South Korea for the second time in a week, this time to protest ongoing U.S.-ROK joint military exercises.

**March 22-27, 2004:** U.S. and South Korea hold joint military training exercises *SOI* and *Foal Eagle* amid unresolved tensions over North Korea's nuclear weapons program.

**March 24, 2004:** South Korea stresses that there is no disagreement between Seoul and Washington over plans to send 3,000 ROK troops to Iraq; explains the two sides agreed to change the dispatch location because of concern about the security situation in Kirkuk.

**March 25, 2004:** U.S. accuses North Korea of seeking to sell missiles to Myanmar.

**March 30, 2004:** Deputy Under Secretary of Defense Sue C. Payton visits South Korea.

**March 31, 2004:** FM Ban says a North Korean proposal for a nuclear freeze would be unacceptable unless North Korea commits to have all its nuclear-related facilities frozen.

**March 31, 2004:** DPRK slams planned U.S. air defense deployment as preparation for war; says it will boost its nuclear deterrent force to protect itself and further condemns U.S. plans to deploy a Aegis-destroyer off the Korean coast in September as a "preparation for war."