

## **Chapter 8**

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# **U.S. Security Policy for East Asia**

The United States, while reconfirming the policy to maintain its military presence in the Asia-Pacific for the stability of the region, continues to attach importance to alliance or cooperative relations with Japan, South Korea, Australia and the member states of the Association of Southeast Asian Nations (ASEAN). The NATO's air campaign against Yugoslavia brought to fore concerns over the U.S. military capability to fight two major conflicts, including a contingency on the Korean Peninsula, nearly simultaneously, which has been a U.S. defense buildup target. Experts inside and outside the U.S. government pointed out that additional efforts are needed to have that capability.

The U.S. engagement policy toward China faced a major hurdle. The Chinese Embassy in Belgrade was accidentally bombed while the U.S.-China relations deteriorated owing to a human rights issue and alleged Chinese theft of U.S. nuclear-related technology. Although the United States managed to keep its ties with China from becoming worse when it reconfirmed its "one China" policy disagreeing with Taiwan President Lee Teng-hui's "special state-to-state relationship" remark earlier, many elements of confrontation remained between the two countries.

The United States regarded North Korea as the source of greatest concern for the security of East Asia, and reviewed its policy toward the country, having appointed former Defense Secretary William Perry to the task. While talks were under way with North Korea on the suspect underground nuclear construction in Kumchang-ni, as well as the possible re-launching of a long-range missile, policy coordination and cooperation among the United States, Japan and South Korea were strengthened in dealing with North Korea.

Besides, the United States had to cope with the situation of East Timor, where public order was thrown into disarray in the wake of the popular consultation held to decide its status. The United States, not coming to the fore in solving the problem, limited its commitment to supporting the Australian contingent, which made

up the main body of the international force sent there under a U.N. resolution.

## 1. U.S. Military Presence in East Asia

### (1) U.S. Strategy for East Asia

The U.S. Annual Defense Report, released in February 1999, described U.S. defense objectives in East Asia as structuring “a stable and economically prosperous East Asia that embraces democratic reform and market economies.” Also citing the same objectives, the East Asia Strategy Report (EASR) published in November 1998 valued the presence of U.S. forces in Asia saying they played “a particularly key role in promoting peace and security in regional affairs,” and that they would maintain approximately 100,000 military personnel deployed in the Asia-Pacific region. The statement reaffirmed the U.S. policy spelled out since the 1995 EASR.

The 1998 EASR mentioned that the U.S. force presence was but one element of comprehensive U.S. overseas engagement to “protect and promote national security interests in Asia,” which included conventional diplomacy, trade, and people-to-people contact in educational, scientific and cultural exchanges. The EASR called such comprehensive engagement “Presence Plus.” Furthermore, the report characterized U.S. bilateral or multilateral cooperative relations with regional countries as complementing rather than supplanting one another, serving to promote general stability.

On the basis of such perception, the United States continues to highly value relations with its allies and friends in Asia for the stability of the region. The Japan-U.S. alliance, which has been termed “the linchpin of U.S. security strategy in Asia,” further improved its credibility as a set of bills to ensure the effectiveness of the Guidelines for Japan-U.S. Defense Cooperation were approved and enacted in May 1999. While a Perry Report aimed at reviewing the U.S. policy toward North Korea was in the making, U.S. cooperative relations with Japan and South Korea were strengthened.

When the international community dispatched an international force to East Timor, the United States actively supported Australia. The United States worked to strengthen its relations with ASEAN countries: in September, for instance, Defense Secretary William Cohen visited Indonesia, Thailand, Singapore and the Philippines.

### (2) Impact of Kosovo on U.S. Military Strategy in East Asia

Air strikes against Yugoslavia by North Atlantic Treaty Organization (NATO) forces, in which the United States played a central role, started on March 24, 1999, and had ramifications for U.S. military strategy in East Asia. Particularly worrying were a decline in U.S. combat capabilities in East Asia resulting from a shift of force to other regions, and adverse effects that frequent overseas deployments had on the readiness of the U.S. armed forces as a whole. The conflict in Kosovo led to the redirection of

**Table 8-1. U.S. Active Duty Military Personnel Strength in East Asia-Pacific Region**

Countries	Total	Army	Navy	Marines	Air Force
Australia	343	12	49	16	266
Cambodia	2	2	0	0	0
China	52	9	11	28	4
Fiji	1	0	0	1	0
Indonesia	45	6	24	10	5
Japan	40,157	1,811	5,216	19,283	13,847
Korea, Republic of	36,563	27,486	293	126	8,658
Laos	3	1	0	0	2
Malaysia	15	3	2	5	5
Myanmar	11	4	0	6	1
New Zealand	6	2	2	0	2
Philippines	31	8	7	8	8
Singapore	152	6	87	16	43
Thailand	119	40	8	41	30
Vietnam	12	4	0	6	2
Afloat	19,435	0	15,341	4,094	0
Total	96,947	29,394	21,040	23,640	22,873

Source: Data from the U.S. Department of Defense Web site.

Note: Data as of March 31, 1999.

the Yokosuka-based aircraft carrier Kitty Hawk to the Middle East for participation in the operation SOUTHERN WATCH to keep watch on a no-fly zone in southern Iraq. The Kitty Hawk took over the watch from the aircraft carrier Theodore Roosevelt, which had been redirected for participation in the Yugoslavia air campaign. This temporarily left Northeast Asia and its neighborhood without an aircraft carrier. To cope with the situation and maintain deterrence against North Korea, F-15-E fighter aircraft and AC-130 gunships were sent from Alaska and elsewhere to South Korea. The Defense Department said the aircraft redeployment made up for the temporary drop in the force level in the region.

General erosion of U.S. military readiness was pointed out. On October 26, 1999, Gen. Henry Shelton, chairman of the Joint Chiefs of Staff, told the Senate Armed Services Committee that U.S. defense spending in the post-Cold War period had been trimmed while overseas operations, including intervention in Kosovo, had become more frequent, which he said had eroded military readiness.

Measures to improve readiness have been studied. On October 14, 1999, Cohen and Shelton issued the Joint Statement on the Kosovo After-Action Review, articulating how the United States would militarily deal with smaller-scale contingency (SSC) operations, such as one in Kosovo, and two major theater wars (MTW) simultaneously. Specifically, it said, if confronted with two MTWs, the United States would have to withdraw its forces from ongoing peacetime activities and SSC operations and redeploy them to the MTWs. This necessity had been suggested also by the Annual Defense Report of February 1999. And on July 22, the Department of Defense released the Reserve Component Employment Study 2005, which said that the reserve component would be employed for SSC operations and so, instead, active component readiness could be maintained.

Implementation of these measures would make it unlikely that security in East Asia would be directly jeopardized. But the issue in-

volving U.S. military readiness is to remain an important matter of concern for East Asia, which relies heavily on the U.S. military presence for maintaining its security and stability.

## **2. Thorny U.S.-China Relations**

### **(1) U.S. Policy to Engage China**

China poses the greatest challenge for a long-term U.S. East Asia policy. China, promoting its reform and opening-up policy, has steadily built up military strength as it has made rapid economic progress. And Chinese influence in East Asia has increased since the end of the Cold War, raising a question of how the United States should structure its relations with a rising China, which could greatly affect U.S. national interests.

On February 10, 1999, Stanley Roth, assistant secretary of state for East Asia and Pacific affairs, testified on U.S. policy toward Asia before the Subcommittee on East Asia and the Pacific, of the House International Relations Committee. Roth said, "Our efforts are geared to facilitate the emergence of a China that is stable and non-aggressive; that cooperates with us to build a secure regional and international order; that adheres to international rules of conduct; that has an open and vibrant economy; and that works to protect the global environment." He stressed the United States works to achieve these goals by "engaging China."

The administration of U.S. President Bill Clinton described its China policy as "engagement policy," which was incessantly criticized by the Congress for being temporizing diplomacy wanting strategy. Roth retorted that "Engagement . . . is not the same as endorsement; it is not about turning a blind eye to practices at odds with U.S. principles or about forsaking democratic ideals in the name of political expediency." He said "engagement" is a vehicle to expand opportunities for cooperation and to improve the prospects for resolving differences through the establishment of overall strategic frameworks based upon the growing intersection of

shared interests. However, the “differences” widened rather than otherwise as the year 1999 saw problems occur one after another, increasing confrontation between the United States and China.

## **(2) Mounting Mutual Distrust**

Promoting human rights and democratization in China occupies an important part of U.S. policy toward China. In 1999, the United States was profoundly distressed by a worsening human rights situation in China. At a January 12 reception held at the Chinese Embassy in Washington to observe the 20th anniversary of the establishment of U.S.-China diplomatic relations, Albright severely accused China of imprisoning dissident political activists who had tried to form an opposition party. On February 26, the Department of State released a 1998 Country Reports on Human Rights Practices, which covers China among other countries. While specifically citing examples of wide-ranging human rights violations by the Chinese government, from a crackdown against organized political dissent to a strict control of the Internet, the report warned that China's human rights record deteriorated sharply beginning in the final months of 1998.

Moreover, on March 26, the United States, which became increasingly critical of China's crackdown on human rights, announced it would cosponsor a resolution on China's human rights practices at the United Nations Commission on Human Rights. At a previous year meeting of the commission, the United States refused to cosponsor a similar resolution on China, for reason of improved human rights practices in the country. On May 25, 1999, prior to the 10th anniversary of the Tiananmen Incident of 1989, the U.S. House of Representatives adopted a resolution condemning ongoing human rights abuses in China, and calling on China to launch an investigation into governmental abuses related to the incident.

Criticism of the Clinton administration's China policy, including the national security issue, mounted in the Congress, which drew

Chinese concerns. On March 6, the New York Times reported that China illegally obtained, through an American citizen of Chinese descent, nuclear weapons-related technology from the Los Alamos National Laboratory. The government launched an investigation into the case. As the investigation found that China obtained by espionage classified U.S. nuclear weapons information, Secretary of Energy Bill Richardson said on April 21 that the United States would strengthen counterintelligence and security at weapons laboratories.

Amid mounting criticism of the Chinese espionage relating to U.S. military technology, a U.S. House select committee, chaired by Christopher Cox, issued a report titled U.S. National Security and Military/Commercial Concerns with the People's Republic of China (the Cox Report). The report pointed out that China continued to illegally obtain classified nuclear weapons technology from U.S. weapons laboratories for decades to date, leading to an improvement in China's nuclear force. This drew a sharp reaction from Li Zhaoxing, Chinese ambassador to the United States, who lashed out at the Cox Report for “having political intentions to slander China, fan anti-Chinese sentiments and derail bilateral relations.” Even preceding the release of the Cox Report, George Tenet, director of central intelligence, made a report to the Senate on February 2, expressing concerns about a Chinese nuclear and air force buildup. Besides, on May 4, the Department of Defense submitted to Congress a report that studied an option to provide Taiwan with theater missile defense (TMD) systems. These moves in the United States had already led to increasing criticism from China by the time the Cox Report was released.

A difference of opinion about how international disputes should be solved, in other words, what an international order should be, widened between the two countries. In Kosovo of Yugoslavia, human rights abuses by armed Serbs against Albanian residents were becoming more serious. NATO and Yugoslavia failed to reach agreement in negotiations aimed at solving the human rights issue

**Table 8-2. Events in U.S.-China Relations in 1999**

Feb. 17	The <i>Washington Post</i> reports China is strongly suspected to have stolen <i>Trident</i> SLBM nuclear warhead technology in the late 1980s.
Feb. 26	The Department of State, in <i>1998 Country Reports on Human Rights Practices</i> , accuses China of repressing human rights.
March 1	Secretary of State Madeline Albright meets Foreign Minister Tang Jiaxuan in Beijing.
March 17	Gary Samore, special assistant to the president on non-proliferation and export controls, says security is being tightened to protect U.S. secret information, with regard to suspicion that China stole nuclear-related technology information.
March 24	On the occasion of the 20th anniversary of the enactment of the Taiwan Relations Act, Assistant Secretary of State Stanley Roth stresses the necessity of peaceful resolution of the Taiwan issue.
March 26	The United States announces that it will cosponsor a China resolution at the UN Commission on Human Rights.
April 6–15	Premier Zhu Rongji visits the United States and confers with President Bill Clinton. Talks on China's admission to WTO fail.
May 4	The Department of Defense submits a <i>Report to Congress on Theater Missile Defense Architecture Options for the Asia-Pacific Region</i> .
May 7	NATO accidentally bombs the Chinese Embassy in Belgrade.
May 8	The Department of State spokesman James Rubin expresses "regret" for the accidental bombing of the Chinese Embassy. Secretary of State Albright conveys to Tang Jiaxuan a note apologizing for the bombing.
May 10	The Chinese government, in the wake of the accidental bombing incident, postpones high-level military contacts with the United States, as well as its consultations on non-proliferation and arms control, and suspends human rights dialogue.
May 14	Jiang Zemin takes note of U.S. apology following a telephone conversation with Clinton.
May 22	A Hong Kong newspaper <i>Wen Wei Po</i> reports China has denied U.S. naval vessel access to Hong Kong.
May 25	The U.S. House select committee releases the Cox Report.
June 3	President Clinton declares his intention to renew normal trade relations status (NTR) for China.
June 4	The 10th anniversary of the Tiananmen incident.
June 17	Undersecretary of State Thomas Pickering visits China and presents to the Chinese government the official report of the U.S. investigation into the accidental bombing of the Chinese Embassy in Belgrade.
July 9	Taiwan President Lee Teng-hui publicly describes China-Taiwan relations as a "special state-to-state relationship."
July 14	Defense Minister Chi Haotian underlines the PLA's determination to prevent Taiwan independence.
July 18	President Clinton, in a telephone conversation with Jiang Zemin, emphasizes U.S. policy toward Taiwan remains unchanged.
July 21	Department of State Spokesman Rubin stresses that the United States

will continue to supply defense articles and services to Taiwan in accordance with the Taiwan Relations Act.

July 22	Richard Bush, chairman and managing director of the American Institute in Taiwan, visits Taiwan.
July 22	Assistant Secretary of State Roth visits Beijing.
July 25	Secretary of State Albright and Foreign Minister Tang Jiaxuan meet in Singapore and agree on high-level contacts between the United States and China.
July 27	The U.S. House votes down a bill to disapprove the extension of NTR with China by a majority. President Clinton welcomes a vote to renew NTR with China.
July 30	The United States agrees with China to pay compensation of \$4.5 million to China for those killed and injured in the accidental bombing of the Chinese Embassy.
Sept. 11	President Clinton meets Jiang Zemin in Auckland, New Zealand.
Oct. 25	Secretary of the Treasury Lawrence Summers attends the 12th U.S.-China Joint Economic Committee in Beijing.
Oct. 27	Undersecretary of State Pickering delivers a speech to the Foreign Affairs College in Beijing and stresses the importance of U.S.-China relations.
Oct. 31	USS <i>O'Brien</i> becomes the first U.S. naval ship to make a port call at Hong Kong since the accidental bombing of the Chinese Embassy.
Nov. 15	The United States and China reach agreement in their bilateral consultations on China's admission to the WTO.
Nov. 19	Deputy Assistant Secretary of Defense Curt Campbell visits China to prepare for resumption of military contacts.
Dec. 7	USS <i>Blue Ridge</i> , the flagship of the U.S. 7th Fleet, calls at Hong Kong.
Dec. 16	The United States and China reach accord on the compensation payment for damages to the accidentally bombed Chinese Embassy in Belgrade, at \$28 million.

*Sources:* Data from the U.S. Department of State Web site and *China Daily*.

in Kosovo, prompting NATO on March 24 to start air strikes against Yugoslavia on the grounds of protecting human rights in Kosovo.

China's position toward the Kosovo problem was that it would not tolerate foreign interference in Yugoslavia's internal affairs, which it said was launched by NATO in the name of protecting human rights. China argued for a peaceful solution to the problem. Following NATO's air strikes, the Chinese Foreign Ministry issued a statement saying that the Kosovo problem was an internal matter of Yugoslavia and, therefore, must be resolved by the

Yugoslavian parties concerned. In the statement China argued that foreign countries must respect Yugoslavia's sovereignty and territorial integrity. The organ of the Communist Party of China, Renmin Ribao argued that NATO's new Strategic Concept constituted the theoretical background of air strikes against Yugoslavia, and severely condemned the use of force for humanitarian reasons and described it as "gunboat policy."

Tensions between the United States and China over Kosovo reached a climax on May 7, when a U.S. aircraft accidentally bombed the Chinese Embassy in Yugoslavia, killing three Chinese newspaper reporters and injuring more than 20 people at the embassy. The bombing incited anti-U.S. sentiments in China, and at one point, anti-U.S. demonstrators, who were mostly students, hurled stones at the U.S. Embassy in Beijing. Speaking at the White House on May 10, President Clinton expressed an apology for the accident. Chinese Foreign Minister Tang Jiaxuan, on the other hand, demanded that the United States and NATO make an official apology for, a complete and thorough investigation into, and a detailed explanation of the bombing, and severely punish people responsible for it. Tang also demanded that "U.S.-led NATO" immediately cease air strikes against Yugoslavia. In such circumstances, China decided to postpone the high-level military contact between China and the United States, and bilateral consultations in the fields of non-proliferation, arms control and international security. It decided to call off its dialogue with the United States in the sphere of human rights. Along with this action, China denied U.S. force's access to Hong Kong, which had remained approved even after Hong Kong's return to China in 1997.

### **(3) Mending Relations Halfway**

The United States worked to mend relations with China in the wake of the accidental bombing of the Chinese Embassy, initiating the efforts in the economic field where both countries could share interests in many respects. On June 3, 1999, Clinton declared his

intention to renew normal trade relations (NTR) status for China for another year, and called on the Congress to support the move. He stressed that maintaining trade relations with China would promote the U.S. economy and security interests. On July 27, the U.S. House approved the renewal of NTR status for China.

Major progress was made in facilitating China's admission to the World Trade Organization (WTO), which had been pending for years. When Chinese Premier Zhu Rongji visited the United States in April 1999, in spite of major concessions he offered, the United States did not agree to China's admission to WTO, which disappointed China. On September 11, however, Clinton met with Chinese President Jiang Zemin for the first time after the accidental bombing of the Chinese Embassy, in Auckland when they gathered for a meeting of the Asia-Pacific Economic Cooperation (APEC). Clinton strongly urged China to resume negotiations for its membership in WTO and expressed hope that agreement might be reached within the year. To follow up the summit, U.S. Trade Representative Charlene Barshefsky visited China, and on November 15, the United States and China reached agreement in their bilateral consultations on China's WTO membership.

With regard to the accidental bombing of the embassy, Thomas Pickering, undersecretary of state for political affairs, was dispatched to Beijing as Clinton's personal envoy, who presented Chinese Foreign Minister Tang Jiaxuan on June 16 the official report of the investigation into the accident. China refused to accept a U.S. explanation that the bombing was accidental. Subsequently, the two countries held talks about U.S. compensation for human and embassy property losses, and on July 30, agreed that the United States would pay \$4.5 million to those injured and the families of those killed. The difficult talks on damages to the embassy facility also reached an accord, on December 16, with the United States committed to paying \$28 million.

While the United States was exploring ways to mend relations with China, Taiwan's President Lee Teng-hui on July 9 described

the relationship between Taiwan and China as a “special state-to-state relationship.” The Chinese sharply reacted to this remark saying that it reflected a “Two-State Theory” approving of Taiwan’s independence. The United States, in the meantime, made it clear to firmly maintain the “one China” policy. In a July 18 telephone conversation, Clinton told Jiang Zemin that the United States would remain firmly committed to the one-China policy and there had been no change of U.S. policy toward China. At their Auckland meeting, Clinton said that the statement by Lee Teng-hui “made things more difficult for both China and the United States,” and stressed that its one-China policy remained unchanged. Chinese Ambassador to the United States Li Zhaoxing spoke highly of the talks between the two leaders as “positive thing.”

The United States, meanwhile, strongly warned China not to use military force against Taiwan. At the meeting with Jiang Zemin, Clinton said that in addition to the one-China policy, a peaceful resolution of the Taiwan issue and the cross-strait dialogue constituted the fundamental pillars of the U.S. China policy. He further warned “if China was to resort to military force, there would be grave consequences in the United States.” At a July 21 news conference, Department of State spokesman James Rubin said that the United States would continue to provide Taiwan with defense articles and services to enable it to maintain a sufficient self-defense. At that time, the U.S. Congress was deliberating the proposed Taiwan Security Enhancement Act aimed at expanding arms supplies to Taiwan, a manifestation of its deep-rooted distrust of China.

The U.S. declaration of opposition to Lee Teng-hui’s remark and of unchanged commitment to a one-China policy put the brakes on the deterioration of relations between the United States and China. The two countries were expected to seek ways to further mend and improve their relations through cooperation centering on trade where mutual interests prevailed. With agreement on China’s admission to WTO reached in U.S.-China consultations, and with U.S. forces’ access to Hong Kong, which China denied after the ac-

cidental bombing of the Chinese Embassy, being gradually eased, U.S.-China ties were on the mend. However, there remained unsettled issues between the two countries, such as the human rights problem that was a factor in strained bilateral ties in 1999, a difference of views on the desired international order, and a conflict of interests over Taiwan. So long as the two countries remain apart as they do on such fundamental issues, their relations are bound to be unstable.

### **3. North Korea Policy Review and Its Significance**

#### **(1) Factors That Prompted Policy Review**

The Clinton administration’s policy toward North Korea, with the 1994 “Agreed Framework” as its centerpiece, is to support the solution of the principal problems of the Korean Peninsula and engage North Korea through dialogue on issues of key concern. Behind this background exists an intention to avoid a return to the circumstances of 1993–94, when tensions between North Korea, its neighbors and the United States were dangerously high.

To this engagement policy, North Korea repeatedly attempted to obtain concessions from the United States by dint of brinkmanship. Annoyed by the North Korean moves, the Republican-led Congress demanded that the Clinton administration review its policy toward North Korea. The Congress’ irritation further grew when the New York Times on August 17, 1998, reported that North Korea was constructing what was considered to be nuclear-related underground complex — it later came to be known to be located in Kumchang-ni.

Under the Omnibus Consolidated and Emergency Supplemental Appropriations Act 1999 approved on October 21, 1998, the U.S. Congress attached two-phase conditions intended to have North Korea observe the Agreed Framework, to the budgetary appropriation of \$35 million for 500,000 tons of heavy oil to be provided annually to North Korea through the Korean Peninsula Energy



Development Organization (KEDO) on the basis of the Agreed Framework (Table 8-3). The Congress compelled the administration to conduct a wholesale review of its policy toward North Korea. These constraints meant that if the U.S. government failed to reach agreement by a given date, its supplying heavy oil to North Korea pursuant to the Agreed Framework of October 1994 would be retarded, giving North Korea an excuse for lifting its freeze on nuclear development, and that if the government made a concession, it would incur the displeasure of the Congress, making it impossible for the United States to provide heavy fuel oil to North Korea.

## (2) “Underground Construction” and “Missiles”

In parallel with a North Korea policy review, the United States went ahead with negotiations with North Korea. The U.S. side was represented respectively by Charles Kartman, U.S. special envoy for the Korean peace talks, at the high-level talks, and by Robert Einhorn, deputy assistant secretary of state for non-proliferation, at the missile talks. In addition, as a multilateral framework comprising South Korea, North Korea, the United States and China, a fourth meeting of the Four-Party Talks was held in January, a fifth meeting in April, and a sixth meeting in August 1999. Through another channel, general officer talks were held between the United Nations Command and the mission of the Korean People’s Army in Panmunjom.

The bilateral talks between the two countries were centered on the underground construction in North Korea’s Kumchang-ni, which had been suspected of being nuclear facilities since the summer of 1998, and had become a political issue in the United States. Talks on this issue began in November 1998 with Kartman on the U.S. side and Vice Foreign Minister Kim Gye Gwan on the North Korean side representing their respective countries. Differences had not been narrowed between the United States demanding access to the suspect site and North Korea demanding monetary compensation for such access. But, finally an accord was reached in

**Table 8-3. Conditions Set by U.S. Congress for Outlays to KEDO**

### First Phase Conditions

#### (Conditions regarding a \$15 million disbursement prior to June 1, 1999)

The President certifies and reports to Congress, at least 30 days prior to June 1, 1999 that:

1. the parties to the Agreed Framework have taken and continue to take demonstrable steps to assure that progress is made on the implementation of the 1992 Joint Declaration on the Denuclearization of the Korean Peninsula;
2. the parties to the Agreed Framework have taken and continue to take demonstrable steps to assure that progress is made on the implementation of the North-South dialogue;
3. North Korea is complying with all provisions of the Agreed Framework and with the Confidential Minute between the United States and North Korea;
4. North Korea is cooperating fully in the canning and safe storage of all spent fuel from graphite-moderated nuclear reactors;
5. North Korea has not significantly diverted assistance provided by the United States for purposes for which it was not originally intended; and
6. the United States is fully engaged in efforts to impede North Korea’s development and export of ballistic missiles.

### Second Phase Conditions

#### (Conditions regarding a \$20 million disbursement on and after June 1, 1999)

The President certifies and reports to Congress, at least 30 days prior to June 1, 1999 that:

1. The United States has initiated meaningful discussions with North Korea on implementation of the Joint Declaration on the Denuclearization of the Korean Peninsula;
2. the United States has reached agreement with North Korea on the means for satisfying U.S. concerns regarding suspect underground construction and;
3. the United States is making significant progress on reducing and eliminating the North Korean ballistic missile threat, including its ballistic missile exports.

Source: Data from the U.S. Congress Web site.

Note: Approved on October 21, 1999.

talks held in New York from February 27 to March 15, 1999. The contents of the agreement were: The North Korea has decided to provide the United States satisfactory access to the site at Kumchang-ni by inviting a U.S. delegation for an initial visit in May 1999 and allowing additional visits; and the United States has decided to take measures to improve political and economic relations between the two countries. In accordance with this agreement, the United States announced on April 22 that it was ready to

**Table 8-4. Events in U.S.-DPRK Relations****1998**

Aug. 21–Sept. 5	Charles Kartman, U.S. special envoy for the Korean peace talks, and DPRK Vice Foreign Minister Kim Gye Gwan intermittently hold talks in New York.
Aug. 31	North Korea launches a missile.
Sept. 4	The Korean Central News Agency announces North Korea launched an “artificial satellite” Aug. 31.
Sept. 21	The U.S. Department of State announces the United States will provide North Korea with an additional 300,000 metric tons of wheat through the WFP.
Sept. 24	Masahiko Koumura, Madeleine Albright and Hong Soon Young — the foreign ministers of Japan, the United States and South Korea, respectively — meet in New York.
Oct. 1–2	Robert Einhorn, deputy assistant secretary of state, and Han Chang On, director of the DPRK Foreign Ministry’s department of U.S. affairs, hold missile talks in New York.
Oct. 21	U.S. Congress attaches two-phase conditions to an appropriation for heavy fuel oil supplies to North Korea.
Oct. 21–24	The third plenary session of the Four-Party Talks is held in Geneva.
Nov. 9	DPRK Foreign Ministry spokesman made a statement the United States should make proper compensation if the U.S. side is to inspect the underground facility.
Nov. 12	William Perry, former secretary of defense, is appointed as North Korea policy coordinator.
Nov. 16–18	Kartman and Kim Gye Gwan hold talks in Pyongyang regarding the underground construction.
Nov. 19	Kartman says at a news conference in Seoul that North Korea’s underground site in question is located in Kumchang-ni, North Phyongan province.
Dec. 4–11	Kartman and Kim Gye Gwan intermittently hold talks in Washington and New York.
Dec. 6–10	Perry visits South Korea, China and Japan.
<b>1999</b>	
Jan. 11	DPRK Foreign Ministry spokesman says North Korea will allow a U.S. “visit” to Kumchang-ni only once if it pays \$300 million.
Jan. 16–17	Kartman and Kim Gye Gwan hold talks in Geneva on the underground construction. They again meet Jan. 23–24, and have an informal contact Jan. 25.
Jan. 18–22	The fourth plenary session of the Four-Party Talks is held in Geneva.
Feb. 27–March 15	Kartman and Kim Gye Gwan intermittently hold talks in New York over the underground construction. On March 16, at a joint news conference they announce that North Korea will accept a U.S. delegation to the site at Kumchang-ni.

March 4–10	Perry visits China, South Korea and Japan.
March 5	The White House announced that President Clinton, as of March 4, certified to Congress that first-phase conditions for budget outlays for heavy fuel oil supply to North Korea.
March 22	The U.S. Department of State announces the United States will provide North Korea 100,000 tons of food in humanitarian assistance via the WFP.
March 29–30	The United States and North Korea hold missile talks in Pyongyang.
March 31	A DPRK Foreign Ministry spokesman maintains North Korea “put forward a proposal on cash compensation for the suspension of missile exports” during its missile talks with the United States.
April 22	The U.S. Agency for International Development announces it reached an agreement with North Korea April 17 on the details of a potato production project in the country.
April 23–25	Perry, Japan’s Ryozo Kato, director-general of the Foreign Policy Bureau, Ministry of Foreign Affairs, and South Korea’s Lim Dong Won, senior secretary to the president for foreign affairs and national security, agree (in Honolulu) to establish a TCOG.
April 23	Kartman and Kim Gye Gwan meet in Geneva. They meet again April 28.
April 24–27	The fifth plenary session of the Four-Party Talks is held in Geneva.
May 14–15	Kartman visits North Korea and confers with Kim Gye Gwan.
May 17	The U.S. Department of Agriculture announces an agreement to donate 400,000 tons of food to North Korea through the WFP.
May 18–24	A U.S. Department of State team visits North Korea and visits on May 20–22 to the underground facility at Kumchang-ni.
May 24	Kato, Perry and Lim Dong Won hold consultations in Tokyo.
May 25–28	Perry visits North Korea and meets with Kim Yong Nam, president of the Presidium of the Supreme People’s Assembly, and Kang Sok Ju, first vice minister of foreign affairs.
May 27	The U.S. Department of State releases a preliminary result of the Kumchang-ni visit that says the underground construction site at Kumchang-ni is an “extensive, empty tunnel complex.”
May 29	Kato, Perry and Lim Dong Won, minister of unification hold a trilateral meeting in Seoul.
June 9	A DPRK Foreign Ministry spokesman says that “now that the underground facility is proved an empty tunnel, it entirely depends upon the attitude of the U.S. side “how the facility will be used.”
June 23–24	Kartman and Kim Gye Gwan hold talks in Beijing.
June 25	The U.S. Department of State makes public a report on the Kumchang-ni visit, which says “the underground site at (Continued on next page)

(Table 8-4 — *Continued*)

	Kumchang-ni does not violate the 1994 U.S.-DPRK Agreed Framework."
June 25–26	Japan, the United States and South Korea hold a TCOG meeting in Washington.
July 1	Deputy Department of State spokesman James Foley comments that "the United States views the North Korean missile program as a serious threat."
July 27	Masahiko Koumura, Albright and Hong Soon Young, foreign ministers of Japan, the United States and South Korea meet in Singapore.
Aug. 3–4	Kartman and Kim Gye Gwan hold talks on the missile issue in Geneva. They meet again Aug. 9
Aug. 5–9	The sixth plenary session of the Four-Party Talks is held.
Sept. 7–12	Kartman and Kim Gye Gwan confer in Berlin. U.S. Department of State spokesman Rubin says the United States understands that North Korea restrains missile launching while the talks are under way.
Sept. 12	Japan's Prime Minister Keizo Obuchi, Clinton and Kim Dae Jung hold a summit meeting in Auckland, New Zealand.
Sept. 13	Perry sends a classified report to U.S. Congress. On Sept. 17, he meets the media with State Secretary Albright.
Sept. 17	The White House announces the president's decision to ease some of the U.S. sanctions in place against North Korea.
Sept. 24	A DPRK Foreign Ministry spokesman declares that North Korea will "not launch a missile" while the talks are under way.
Oct. 12	The Perry Report is disclosed to the public.
Nov. 8–9	A TCOG meeting of Japan, the United States and South Korea is held in Washington.
Nov. 15–19	Kartman and Kim Gye Gwan hold talks in Berlin (with Nov. 18 in recess)

Sources: Data from the U.S. Department of State Web site and the *Rodong Sinmun*.

provide North Korea with its first direct assistance, aimed at boosting potato production. On May 17, the United States said it would donate 400,000 tons of food to North Korea through the World Food Programme.

On the basis of this agreement made in March, a 14-member expert team from the U.S. Department of State visited the underground site at Kumchang-ni on May 20–22. As a result, the U.S. Department of State said in a statement released on June 25 that: (1) the site at Kumchang-ni does not contain a plutonium produc-

tion reactor or reprocessing plant, either completed or under construction; (2) given the current size and configuration of the underground area, the site is unsuitable for the installation of a plutonium production reactor, especially a graphite-moderated reactor of the type North Korea has built at Yongbyon; and (3) the site is also not well designed for a reprocessing plant, but it could support such a facility in the future with substantial modifications. It thus concluded that, "at present, the underground site at Kumchnag-ni does not violate the 1994 Agreed Framework."

At the missile talks with North Korea, the U.S. side was headed by Einhorn. At the third and fourth rounds of the talks held in October 1998 and March 1999, respectively, the United States urged North Korea to refrain from missile exports, production, deployment and flight testing, and made it clear to the country that further launches of long-range missiles or further exports of such missiles would have very negative consequences for the evolution of U.S.-North Korean relations. North Korea refused to budge on its position that it could discuss the requested suspension of its missile exports only on the condition that the United States compensates in cash for foreign currency losses North Korea would incur from the suspension.

The missile issue became the centerpiece of the high-level talks between Kartman and Kim Gye Gwan, who met in Geneva in August and in Berlin September 7–12. The Berlin talks produced a sign of fruitful results: The U.S. side was led to understand that North Korea would refrain from a missile launch while the talks were in progress between the two countries. On September 24, a spokesman for the North Korean Ministry of Foreign Affairs did say North Korea "will not launch a missile while the talks were under way."

As the bilateral talks made progress on the suspect underground construction, President Clinton announced respectively on March 4 and May 18, 1999, that the first-phase and second-phase conditions imposed by the Congress had been satisfied. Thus, the administra-

tion won a mandate to send the heavy-oil supply to North Korea.

But this did not mean that Congress was fully satisfied with the Clinton administration's North Korea policy. For instance, on May 18, chairman of the House International Relations Committee, Benjamin Gilman, submitted to his committee a North Korea Threat Reduction Act that would make funding in U.S. assistance to North Korea and nuclear cooperation conditional on North Korea's strict observance of the Agreed Framework. Later, on August 28, a North Korea Advisory Group made up of House Republican members, headed by Gilman, was organized at the request of the House speaker. The advisory group presented to the House speaker on October 29 a report saying that North Korea's threat has increased in recent years and that the Clinton administration's North Korea policy is not effectively addressing North Korea's weapons of mass destruction, missiles and their proliferation.

### **(3) Closer Cooperation among Japan, the United States and South Korea**

Under the Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999, which was enacted in October 1998, Congress not only attached conditions to the provision of heavy oil to North Korea, but also obligated the president to name a "North Korea policy coordinator" by January 1, 1999, who would: conduct a full and complete interagency review of U.S. policy toward North Korea; provide policy direction for negotiations with North Korea related to nuclear weapons, ballistic missiles and other security related issues; and provide leadership for U.S. participation in the Korean Peninsula Energy Development Organization. On November 11, Clinton appointed former Secretary of Defense William Perry as North Korea policy coordinator and ordered that a policy review team be organized under the guidance of this policy coordinator and that this team extensively review U.S. policy toward North Korea.

The efforts for reviewing policy toward North Korea led to close

policy consultations among Japan, the United States and South Korea. Perry recognized the need for closely coordinated joint effort of the three countries if the United States was to make the North Korea policy a success. For that matter, Perry visited South Korea and Japan three times respectively in the period between the time he was appointed as coordinator and the time he submitted a report in September.

Perry visited South Korea, Japan and China in December 1998, soon after he took office, and conferred with government leaders and policy authorities in these countries. In South Korea, he met President Kim Dae Jung, and in Japan, then Chief Cabinet Secretary Hiromu Nonaka, then Foreign Minister Masahiko Koumura and other people concerned to exchange views about peace and stability on the Korean Peninsula.

On his following visits to China, South Korea and Japan from March 4 to 10, Perry briefed Japanese and South Korean government officials on the preliminary findings of his North Korea policy review. In the course of consultations with these countries, Japan, the United States and South Korea moved toward institutionalizing the efforts for policy coordination on North Korea. The movement resulted in an agreement on the establishment of the Trilateral Coordination and Oversight Group (TCOG) consisting of high-ranking officials, reached after a series of consultations conducted among the three countries in April 1999.

Moreover, Perry, before completing his North Korea policy review, which had been conducted for about five months in close coordination with allied countries, visited North Korea on May 25–28 as Clinton's special envoy. On his way to North Korea, Perry stopped at Japan and South Korea for consultations with Ryozo Kato, director-general of the Foreign Policy Bureau at the Ministry of Foreign Affairs, and Lim Dong Won, senior secretary to the president for foreign affairs and national security, who later took office of minister of unification. After the talks they issued a joint statement, which was intended to emphasize that the message Perry

would convey to North Korea was coordinated by the three delegations. In North Korea, Perry heard North Korean views and conveyed U.S. and the allies' concerns over the North's missile and nuclear programs. Perry, on his way back from North Korea, again visited Seoul and held a second TCOG meeting with Lim Dong Won and Kato, where he briefed Japan and South Korean delegations about the outcome of his visit to North Korea.

On June 25–26, a TCOG meeting was held at assistant-secretary level. On July 27, the three countries held a foreign ministers' meeting, where they requested that North Korea accept the “comprehensive and integrated approach that builds on the engagement policy,” Perry had presented to North Korea. And on September 12, just before Perry's report was sent to Congress, the top leaders of Japan, the United States and South Korea held a trilateral summit about, besides the East Timor issue, the North Korea problem and expressed their expectation that North Korea respond positively to the “comprehensive and integrated approach” being promoted by the three countries. The three leaders expressed their readiness to undertake measures to improve their relations with North Korea if the North addresses the concerns of Japan, the United States and South Korea and takes steps to reduce tension and to establish lasting peace on the Korean Peninsula. Immediately after the presentation of the report to Congress, Perry again visited Japan and South Korea to explain the contents of the report and U.S. policy.

Through such close trilateral cooperation, the United States intended to convey to North Korea the mes-

**The leaders of Japan, the United States, and South Korea holding a summit meeting in Auckland, New Zealand (September 12, 1999)**  
(Reuters-Kyodo Photo)

sage that the country needs to restrain its nuclear and missile program in exchange for a better relationship with the three countries. It was such close collaboration that was indispensable to making the message persuasive.

#### **(4) Perry Report and Remaining Agendas**

Perry submitted to the president and Congress a report on U.S. policy toward North Korea. The conclusion of the report was that the United States should make efforts, in a step-by-step fashion, aimed at normalizing economic and diplomatic relations with North Korea, in exchange for North Korea's move to eliminate its nuclear and long-range missile threats. On the other hand, the report stressed that there would be no alternative but to act to contain the threat should North Korea's nuclear and missile threats be not eliminated.

In promoting the policy, the report proposed introducing a “comprehensive and integrated approach” that would deal with North Korea's nuclear and missile issues, instead of separately addressing them as before. And to achieve this, it requested the establishment of an interagency North Korea working group, chaired by a senior official of ambassadorial rank and located in the Department of State.

In the background of the conclusion was awareness that North Korean nuclear and missile development continuing at this pace could upset deterrence on the Korean Peninsula and that U.S. policy was inconsistent as it was addressing nuclear and missile development issues separately. There was also judgment that the regime in North Korea would not collapse, even if the United States were to put pressure on the country, and therefore, it could not help continuing negotiations with the North Korean government as it was.

The United States announced on September 17 that it would unilaterally ease some of the sanctions in place against North Korea, considering the Perry Report and the result of U.S.-North Korean

high-level talks held in Berlin on September 7–12, based on which the United States reasonably believed that North Korea would refrain from testing any long-range missiles during the course of the followup meeting to be held between the two countries. Sanctions were lifted for trade in goods and services other than munitions, and dual-use goods and technology, for investment in infrastructure and tourism, and commercial flights between the United States and North Korea. In response to the U.S. step to ease the sanctions, North Korea announced on September 24 that it would not fire a missile while talks are under way between the two countries. Such movements by the governments of the United States and North Korea can be regarded as reflecting a step-by-step, reciprocal approach formula proposed in the Perry Report.

The Perry Report, though completed, does not address all important problems. It left some problems unattended. The report, for instance, does not present any specific ways to solve the issue of biological and chemical weapons, saying that the issue is best addressed “multilaterally.” The report says it does not immediately address a number of issues, such as reunion of separated families, implementation of the North-South Basic Agreement, Japanese kidnapping cases and drug trafficking, as they are outside the scope of direct U.S.-North Korea talks. It says all of these issues should be, and would be addressed as relations between the United States and North Korea improve.

Such contents of the Perry Report accords with South Korean policy toward North Korea. Kim Dae Jung mentioned his North Korea policy goals as eliminating the threat of war from the Korean Peninsula at an early stage and promoting exchanges and cooperation with the North. In a similar context, the United States came out in the Perry Report with a policy of removing the nuclear and missiles threats in the first place, and based upon that removal, building a better North-South relationship.

The Perry Report is attentive to issues of Japanese concern. Since the launching of a North Korean missile in August 1998,

Japan has expressed concern that the North Korean missile development directly threatens its national security. In this regard, the Perry Report says that the United States, while urging North Korea to suspend a long-range missile test, will seek the complete and verifiable cessation of production, deployment and exportation of missiles exceeding the parameters of the Missile Technology Control Regime (MTCR), which are 300 kilometer range and 500 kilogram payload, in the course of U.S.-North Korean normalization. No Dong and Taepo Dong missiles that pose a direct threat to Japanese security exceed the MTCR parameters. Thus, the Perry Report has responded to Japanese security concerns.

The Perry Report refers to the Chinese role, analyzing that persuading North Korea to suspend its nuclear and missile development is in the interests of China as well. It says that China is very unlikely to coordinate its policy toward North Korea with Japan, the United States and South Korea, but that China should work, through its own channels of communication, to discourage North Korea from pursuing the development programs.

## **4. Approach to East Timor Issue**

### **(1) U.S. Indonesia Policy and East Timor**

The year 1999 marked the 50th anniversary of the establishment of diplomatic relations between Indonesia and the United States. Furthermore it was an important year for Indonesia to determine its future, in that it held a general election and a presidential election, as well as a popular consultation on the status of East Timor. The United States faced a challenge of helping Indonesia go through the democratization process smoothly while maintaining favorable relations with the country which was at a major turning point, as well as ensuring the regional stability.

Indonesia occupies an important position in the U.S. strategy for the Asia-Pacific region. On February 10, Stanley Roth, assistant secretary of state for East Asian and Pacific affairs, testified about

U.S. Asian policy before the House International Relations Committee. According to Roth, Indonesia being the fourth most populous country in the world, “straddles vital international shipping and air lanes, has vast natural resources, and wields significant influence in Southeast Asian politics” and is of “strategic importance” to the United States. While at the same time referring to Indonesia’s authorizing freedoms of the press and political organization, Roth welcomed its democratization and expressed hope for success in the June general election. On March 5, U.S. Secretary of State Albright in Jakarta expressed hope for progress in Indonesia’s democratization, saying that “Indonesia has the chance for a new birth in freedom” and that “Indonesia’s future is in your hands.” The United States hoped that Indonesia, which is strategically important for the United States, would steadfastly move toward democratization without political confusion.

The United States has been providing Indonesia with assistance so that the country can move ahead stably toward democratization. According to data of the U.S. Agency for International Development, the United States provided an economic crisis-ridden Indonesia with \$43.7 million in development assistance and \$46.8 million in economic support fund for fiscal 1998. For fiscal 1999, the United States was to give the country \$61.5 million in development assistance and \$11.5 million in economic support fund. And for fiscal 2000, a budgetary appropriation of approximately \$60 million in assistance was requested.

With regard to East Timor, the United States had been urging Indonesia to peacefully solve the issue as its own internal problem. The United States, while welcoming the peace agreement reached between the pro-independence and the pro-Jakarta on April 21, supported an Indonesian government’s position to hold a popular consultation in East Timor to decide whether East Timor should become independent or stay in Indonesia.

The United States favorably received the results of the ballot for the popular consultation of August 30 in East Timor, describing

them as a “major step toward the birth of a new nation.” However, East Timor’s public order massively deteriorated immediately after the ballot, and the United States requested that the Indonesian government promptly take steps to restore public order. On September 4, a U.S. civilian police officer was injured in an attack by an armed group. The United States had initially held the Indonesian government responsible for the maintenance of public order, but came to realize that it was difficult for the government to control armed groups. On September 6, Albright made clear in Hanoi that Indonesia should either deal with acts of violence or let the international community deal with them. But President Habibie rejected a request of U.N. Secretary-General Kofi Annan that Indonesia receive an international force. The United States urged Indonesia to comply with the U.N. request and accept an international force in which Australia took the leading role, pressuring President Habibie by stopping military sales and suggesting political and economic sanctions. Meanwhile the United States stressed regional countries’ responsibility for the solution of the East Timor problem. In other words, the United States called for efforts by Indonesia and other countries in the region, which are responsible for the maintenance of regional peace, toward the settlement of the East Timor problem, without major, direct involvement of the United States.

In the meantime, the United States dispatched 15 U.S. military personnel to Darwin and began planning with Australian counterparts. Since the United States planned to start, on September 12, U.S.-Australia combined exercise CROCODILE 99, as of September 9, the cruiser Mobile Bay, the destroyer O’Brien and the ammunition ship Kilauea were either in the immediate vicinity or en route to the area. Thus the United States was in effect promoting advance preparations for the prompt implementation of the mission of an international force, in which Australia was to play a central role. The United States endorsed Australia, its close ally — the two countries are linked by an alliance treaty and constantly conduct

combined military exercises — as being fully capable of commanding the international force.

## **(2) U.S. Role in International Force and Its Purpose**

The U. N. Security Council on September 15 authorized the establishment of a multinational force to restore peace and security in East Timor. The force was organized mainly with Australia providing the bulk of the force and Asian countries also participating. The United States sent 260 military personnel and vessels to the international force. Their activities were confined to provision of logistic support, including transportation and communications.

This U.S. approach greatly differed from that to Kosovo in March, where the United States took an initiative in trying to solve the conflict, sending a massive force and having a U.S. officer serve as supreme commander of the NATO force. In East Timor, the United States was not in the forefront of the activities to restore public order, but provided logistics support. It also made diplomatic efforts to achieve the purpose. As of September, the United States had provided \$5.1 million in humanitarian assistance for the stability of East Timor.

With regard to differences between the U.S. approaches to the Kosovo conflict and East Timor, Albright said in a CNN interview of September 8: that the Indonesian government is responsible for, and is capable of solving the East Timor problem, and has the will to do it; and that the international community with the United Nations playing a leading role has started to work to settle the issue. On September 16, Clinton said, "Indonesia's future is important to the United States." With regard to the U.S. participation in the international force, he stressed that "this mission is in America's interests for several reasons": (1) Indonesia's stability is necessary from the perspective of Asian sea lane; (2) it is the largest Muslim nation in the world and is the fourth most populous nation in the world, and all Asians and Americans have an interest in a stable, democratic and prosperous Indonesia; and (3) achieving

independence of East Timor is important in the light of democracy as well.

Under such circumstances, Cohen visited Australia, Indonesia, Thailand, Singapore and the Philippines for a period of eight days from September 24. On September 30, Cohen conferred with Habibie and Defense and Security Minister Wiranto in Indonesia, and said that "the United States supports an Indonesia that is democratic, stable, strong and prosperous and united." He made it clear to them that the United States "will not be able to restore normal relations [including the U.S.-Indonesia military cooperation] until we see successful efforts to promote safety for the people of East Timor and allow the peace process to proceed." Besides consultations on East Timor, Cohen's visit was obviously aimed at keeping the Indonesian military from gaining political ground, taking advantage of a situation where Habibie was losing political momentum.

Cohen then visited Thailand on October 1 and expressed gratitude for offering some 1,600 troops for the international force. And he held talks about East Timor and military cooperation with top government leaders in Singapore October 2, and in the Philippines October 3, respectively.

The U.S. approach to the East Timor issue, as was demonstrated by Cohen's series of visits to the region, was taken in collaboration with countries in the region and must have been designed also to ensure democratization and stability of Indonesia. Presumably the United States regarded it to be in its interests then and in the future that both Indonesia's stability and East Timor's independence were pursued at the same time.



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