

Part I

Security Issues of East Asia

Chapter 1

Prime Minister Koizumi's Visit to North Korea, and Recurrence of the Nuclear Development Problem

Prime Minister Junichiro Koizumi's visit to North Korea, announced August 30, 2002, raised hopes for a positive change on the Korean Peninsula. However, after his visit, North Korea admitted to having worked on its nuclear development program, thus raising the specter of another nuclear crisis.

On September 17, 2002, the first Japan-North Korea summit was held, culminating in the Japan-DPRK (Democratic People's Republic of Korea) Pyongyang Declaration for normalizing diplomatic relations. However, issues that must be settled before the two countries can enter into diplomatic relations include: Japan's 35-year colonial rule of the Korean Peninsula; the threat to Japan posed by North Korea's nuclear weapon and missile programs; the abduction of Japanese nationals by North Korean agents; and North Korean spy boats infiltrating Japanese territorial waters. It seems that behind North Korea's acceptance of Prime Minister Koizumi's visit are its hopes for Japanese economic assistance and Japan's cooperation in improving North Korea's relations with the United States.

Backed by growing public support for an early solution to the abductee issue, Prime Minister Koizumi remained steadfast. Chairman Kim Jong Il of the DPRK National Defense Commission admitted to the abductions and apologized. No less important than the abductee problem for Japan was the threat posed by North Korea's nuclear and missile development programs. By deploying *No Dong* missiles capable of reaching Japan, North Korea poses a serious menace. Against this backdrop, Prime Minister Koizumi pressed North Korea to abide by its international agreements on nuclear weapons and allow inspection of its nuclear facilities, as well as maintain its moratorium on missile tests. At the same time, Prime Minister Koizumi's proposal for six-party talks—to include Japan, the United States, South Korea, China, Russia, and North Korea—was greeted positively by Pyongyang.

Soon thereafter, however, North Korea's nuclear development

program came to light, which North Korea confirmed and began to utilize to induce the United States into direct negotiations. When James Kelly, U.S. assistant secretary of state for East Asian and Pacific affairs, visited Pyongyang, North Korea admitted to carrying out a uranium enrichment program for nuclear weapons, thus triggering the suspension of oil shipments by the Korean Peninsula Energy Development Organization (KEDO). In response, North Korea declared that it considered the 1994 U.S.-DPRK Agreed Framework invalid, and declared that it would operate its nuclear facilities again.

Japan, the United States, and South Korea are united in pressing North Korea, in a peaceful manner, to give up its nuclear development program. Attention is now focused on how South Korea's new government of President Roh Moo Hyun, who insists on an "equal" relationship with the United States, will cooperate with the United States in its North Korea policy.

1. Prime Minister Koizumi's Visit to North Korea

(1) The Japan-DPRK Pyongyang Declaration

On September 17, 2002, Japanese Prime Minister Junichiro Koizumi visited Pyongyang for a summit with Kim Jong Il, Chairman of the National Defense Commission, marking the first such Japan-North Korea meeting. Under the Japan-DPRK Pyongyang Declaration, Japan is supposed to resume talks aimed at normalizing relations with North Korea, and to proceed with discussions on security issues.

Through these talks, Japan and North Korea were seeking to settle various problems that remained unresolved while the two countries have no formal diplomatic relations, but it turned out they found little common ground for discussions. As a result of Prime Minister Koizumi's visit, the Japanese people had hoped for a resolution to abductee issue, as well as the elimination of the security

threat posed by North Korea. Prior to the summit, the Japanese government acknowledged that North Korea had abducted at least 11 Japanese, but their families and support groups believed that the number was actually far more. In addition to North Korean spy boats infiltrating the territorial waters and exclusive economic zones (EEZ) of Japan, North Korea also threatens the security of Japan by developing nuclear weapons and ballistic missiles.

North Korea demands an apology and compensation for the damage and suffering caused by Japan's colonial rule. Thus the two countries are making claims based on events that occurred at very different points of time. As was true with South Korea, the so-called "unfortunate past" is a very important problem with North Korea with which Japan must deal. On the other hand, Japan wants North Korea to settle the problem of the abductees as it is causing continuing anguish to the present-day generation. While the abduction issue and Japan's 35-year colonial rule of the Korean Peninsula cannot be equated, there are those in Japan who argue that the two problems, though occurring at different times, must be addressed simultaneously.

At the summit, Prime Minister Koizumi expressed his regret and apologized for Japan's colonial rule, and made comprehensive and specific demands of Chairman Kim Jong Il for ac-



Japan-North Korea summit (October 15, 2002, Pyongyang)

tion on the abduction issue and the spying activities of North Korean agents. Additionally, Prime Minister Koizumi urged North Korea to abide by its international agreements on nuclear weapons, allow inspection of its nuclear facilities, and maintain its moratorium on missile tests. He also expressed his concern over the deployment of *No Dong* missiles. North Korea has already de-

ployed *No Dong* missiles that are capable of striking most parts of Japan, and in August 1998, without prior notice, it test-fired a *Taepo Dong* missile that flew over Japan (see Chapter 5).

Prime Minister Koizumi urged Chairman Kim Jong Il to act in good faith toward security issues in order to improve North Korea's relations with the United States, stressed the importance of a dialogue and cooperation between North and South Korea, and proposed six-party talks to include Japan, the United States, South Korea, China, Russia, and North Korea to build confidence among the countries in the Northeast Asian region.

Chairman Kim Jong Il, without taking direct responsibility, blamed the abductions on "special units" within the military and offered his apology, promising that no such incidents would occur again in the future. Regarding the activities of suspicious boats in Japanese territorial waters, he stated that these were "voluntary exercises" conducted by special units, indicating that these would not be allowed to happen again and that the special units were being reorganized. He also indicated that he would maintain the moratorium on missile tests after 2003, and that he would take a positive stance toward a U.S.-North Korea dialogue, North Korea's relations with the South, and the proposed six-party security talks. Up to then North Korea had denied its involvement in the abduction of Japanese nationals and the operation of spy boats. Judging from North Korea's past behavior, it may be said that Chairman Kim's reaction was candid and affirmative. After these exchanges, the two leaders signed the Japan-DPRK Pyongyang Declaration. With their signatures, the declaration has become a binding document, and one by which all agencies of the North Korean government must abide.

The declaration stated that the two countries would resume normalization talks in October 2002; that Japan will provide economic assistance to North Korea after relations are normalized; and that the governments of both countries will consult on security issues. At its outset, the declaration confirmed the shared belief that solv-

Reference

Japan-DPRK Pyongyang Declaration

Japanese Prime Minister Junichiro Koizumi and Chairman Kim Jong Il of the DPRK National Defense Commission met and had talks in Pyongyang on September 17, 2002.

Both leaders confirmed the shared recognition that establishing a fruitful political, economic and cultural relationship between Japan and the DPRK through the settlement of unfortunate past between them and the outstanding issues of concern would be consistent with the fundamental interests of both sides, and would greatly contribute to the peace and stability of the region.

1. Both sides determined that, pursuant to the spirit and basic principles laid out in this Declaration, they would make every possible effort for an early normalization of the relations, and decided that they would resume the Japan-DPRK normalization talks in October 2002.

Both sides expressed their strong determination that they would sincerely tackle outstanding problems between Japan and the DPRK based upon their mutual trust in the course of achieving the normalization.

2. The Japanese side regards, in a spirit of humility, the facts of history that Japan caused tremendous damage and suffering to the people of Korea through its colonial rule in the past, and expressed deep remorse and heartfelt apology.

Both sides shared the recognition that, providing economic cooperation after the normalization by the Japanese side to the DPRK side, including grant aids, long-term loans with low interest rates and such assistances as humanitarian assistance through international organizations, over a period of time deemed appropriate by both sides, and providing other loans and credits by such financial institutions as the Japan Bank for International Cooperation with a view to supporting private economic activities, would be consistent with the spirit of this Declaration, and decided that they would sincerely discuss the specific scales and contents of the economic cooperation in the normalization talks.

Both sides, pursuant to the basic principle that when the bilateral relationship is normalized both Japan and the DPRK would mutually waive all their property and claims and those of their nationals that had arisen from causes which occurred before August 15, 1945, decided that they would discuss this issue of property and claims concretely in the normalization talks.

Both sides decided that they would sincerely discuss the issue of the status of Korean residents in Japan and the issue of cultural property.

3. Both sides confirmed that they would comply with international law and would not commit conducts threatening the security of the other side. With respect to the outstanding issues of concern related to the lives and security of Japanese nationals, the DPRK side confirmed that it would take ap-

propriate measures so that these regrettable incidents, that took place under the abnormal bilateral relationship, would never happen in the future.

4. Both sides confirmed that they would co-operate with each other in order to maintain and strengthen the peace and stability of North East Asia.

Both sides confirmed the importance of establishing co-operative relationships based upon mutual trust among countries concerned in this region, and shared the recognition that it is important to have a framework in place in order for these regional countries to promote confidence-building, as the relationships among these countries are normalized.

Both sides confirmed that, for an overall resolution of the nuclear issues on the Korean Peninsula, they would comply with all related international agreements. Both sides also confirmed the necessity of resolving security problems including nuclear and missile issues by promoting dialogues among countries concerned.

The DPRK side expressed its intention that, pursuant to the spirit of this Declaration, it would further maintain the moratorium on missile launching in and after 2003.

Both sides decided that they would discuss issues relating to security.

Prime Minister of Japan
Junichiro Koizumi

Chairman of
The DPRK National Defence
Commission
Kim Jong Il

September 17, 2002
Pyongyang

ing the problem of the unfortunate past—the damage and suffering of the Korean people caused by Japan’s colonial rule—and settling the security concerns of Japan, are in the interests of both countries.

The fact that Chairman Kim Jong Il personally admitted and apologized for the abduction of Japanese nationals, and for the activities of North Korea’s spy boats operating in Japanese territorial waters, appears to mark a very important change in North Korea’s policy because it had denied these charges as “fabrications” in the past. In addition to his conversation with Prime Minister Koizumi on security issues, Chairman Kim Jong Il’s agreement to continue a dialogue with the Japanese government represents a major policy shift. Until recently, whenever Japan brought up the issue of nu-

clear weapons, North Korea was evasive, saying that nuclear weapons issue could only be discussed with the United States. In July, before Chairman Kim Jong Il met Prime Minister Koizumi, the North Korean authorities expressed regret over the recent armed clash in the Yellow Sea, and resumed a dialogue with South Korea after declaring that both North and South "should make joint efforts to prevent the recurrence of similar incidents in future." It is believed that behind this change in North Korea's stance are its hopes for economic assistance from Japan and South Korea to rebuild its economy, and for an improvement in relations with the United States.

Since taking office, Prime Minister Koizumi has clearly stated that diplomatic relations with North Korea cannot be achieved without first solving the abduction problem. As spelled out in the Pyongyang Declaration, economic cooperation from Japan will be forthcoming after diplomatic relations are normalized. Therefore, North Korea cannot obtain the massive economic assistance it seeks without first solving the abduction issue. It seems that North Korea has not adequately kept up with the changes that have occurred since the September 11 terrorist attacks in the United States, and has been seeking to defuse the tension since President George W. Bush labeled it part of the "axis of evil." The Japan-North Korea summit took place because Pyongyang's desire to improve relations with the United States and its deteriorating economic situation coincided with Japan's desire to solve the abduction and nuclear missile issues.

The Koizumi cabinet was firm in its response to North Korean spy boats that had infiltrated its territorial waters in December 2001. In November the same year, Japanese police, for the first time, searched the headquarters of the General Association of Korean Residents in Japan (Chongryon), long suspected of being a source of funds for North Korea, on suspicion that its affiliated banking institutions were engaged in illicit lending activities. Meanwhile, behind the scenes, the Ministry of Foreign Affairs had

Table 1-1. Major Events between Japan and North Korea

1998

Jun. 5 The North Korean Red Cross repudiates suspicions of North Korea abducting Japanese nationals by stating, "there are no missing Japanese."

Aug. 31 North Korea launches a *Taepo Dong* missile, claiming it is a satellite.

1999

Mar. 23 The Maritime Safety Agency (now Japan Coast Guard) and Maritime Self-Defense Force spot two suspicious boats in Japan's territorial waters off the Noto Peninsula, but after giving chase the boats get away.

Dec. 29 North Korea announces it has detained a former Japanese newspaper reporter as a "spy."

2000

Apr. 4 The ninth round of Japan-DPRK normalization talks is held (Apr. 4-7) in Pyongyang, the first since talks broke off in Nov. 1992.

Oct. 30 The 11th round of Japan-DPRK normalization talks is held (Oct. 30-31) in Beijing.

2001

May 1 A man suspected to be Kim Jong Nam, the eldest son of Kim Jong Il, was detained at Narita Airport (and deported May 5).

Nov. 29 The Tokyo Metropolitan Police search the central headquarters of the General Association of Korean Residents in Japan (Chongryon) in an investigation of a Chongryon-affiliated bank suspected of illicit lending.

Dec. 22 A suspicious boat operating in the Exclusive Economic Zone of Japan southwest of Kyushu fires on pursuing Japan Coast Guard patrol vessels, and later the unidentified boat sinks.

2002

Feb. 13 North Korea releases the former Japanese newspaper reporter.

Apr. 29 Red Cross representatives of Japan and North Korea meet in Beijing (29-30).

Jul. 31 Foreign Minister Yoriko Kawaguchi of Japan meets her North Korean counterpart, Paek Nam Sun in Bandar Seri Begawan.

Aug. 18 Red Cross representatives of Japan and North Korea meet in Pyongyang (18-19).

Aug. 25 Foreign Ministry bureau director-generals from Japan and North Korea meet in Pyongyang (25-26).

Aug. 30 Japan and North Korea announce Prime Minister Koizumi's September visit to Pyongyang.

Sep. 17 Prime Minister Koizumi visits Pyongyang for a summit with Chairman Kim Jong Il, the first such meeting between the two countries.

Oct. 15 Five Japanese who had been abducted to North Korea return to Japan after approximately 24 years.

Oct. 24 Japan announces that the five abductees' stay in Japan will be extended, and that it wishes to realise the permanent return of all abductees' family members.

Oct. 29 The 12th round of Japan-DPRK normalization talks is held in Kuala

Prime Minister Koizumi's Visit to North Korea

Lumpur (29-30).

- Nov. 14 North Korea announces that unless Japan returns the five abductees, it will not agree to a meeting on security issues.
- Nov. 16 North Korea's Foreign Ministry states that "there is no reason for the DPRK to show any longer magnanimity as regards the issue of missile test-fire."

Source: Compiled from *RP Kita Chosen Seisaku Doko* (Radio Press, *Trends of North Korean Policy*) and other news sources.

been trying to find a window of opportunity for talks with North Korea. Japan's clear and firm stand that it will not offer economic assistance while outstanding issues remain unresolved, at the same time seeking to resume normalization talks, may have induced Chairman Kim Jong Il to agree to a summit with Prime Minister Koizumi.

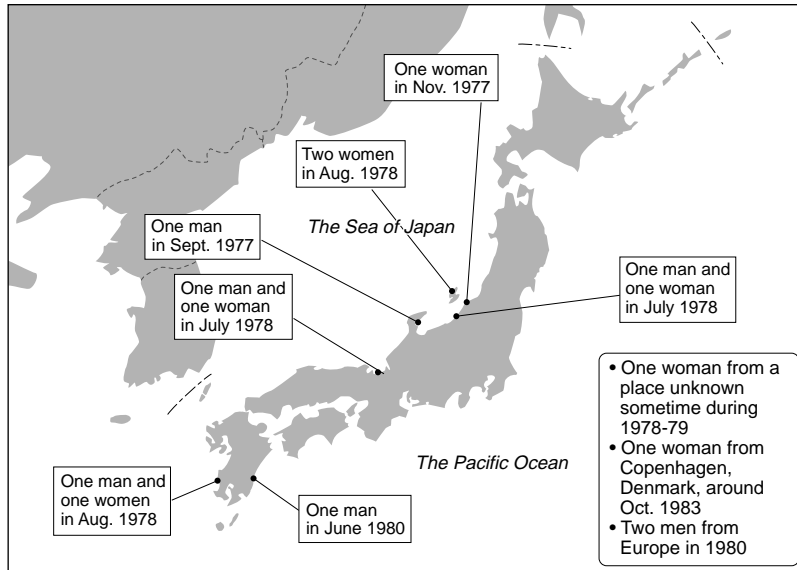
(2) Post-Summit Problems

Though most Japanese gave Prime Minister Koizumi high marks upon his return from the summit, they were shocked to learn the harsh details of the abduction issue, and demanded that the government clarify and settle the problem. Although there was strong public approval to resume normalization talks, the government was urged not to make any hasty compromises with North Korea.

According to opinion polls taken within seven days of the prime minister's return, approximately 80 percent of respondents approved of Prime Minister Koizumi's visit to North Korea. The reasons for his high rating are twofold. Firstly, Prime Minister Koizumi firmly expressed Japan's concern over the outstanding bilateral issues and demanded that they be solved. By making a day trip, he deliberately shunned showy welcome events such as mass gymnastics displays, or drinking a toast and dining with North Korean officials, so as not to play into Chairman Kim Jong Il's hands.

Secondly, he attained Chairman Kim Jong Il's apology for having abducted Japanese nationals, as well as a promise to improve the security situation, thus opening the way for normalizing diplomatic relations. His accomplishments far exceeded initial expectations.

Chart 1-1. Suspected Abductions of Japanese Nationals



Source: National Police Agency website.

(As of Feb. 10, 2003)

Approximately 80 percent of the respondents said they found it hard to accept North Korea's shocking explanation about the abducted Japanese nationals, namely that "five are alive, eight are dead, and no records exist of one other entering the country." North Korea's subsequent response further aggravated the situation. For example, there were many questions about the authenticity of the eight death certificates and some of the remains, and North Korea's assertion that only 13 Japanese had been abducted. Although North Korea allowed the five surviving Japanese to return temporarily to Japan, it held their family members in North Korea and insisted that the five be returned to Pyongyang. As anticipated, the anger of the Japanese people pressured their government into toughening its stance toward negotiations for normalizing ties.

There was also criticism of the contents of the Pyongyang Declaration. While the declaration dealt at length with Japan's apology for its colonial rule of the Korean Peninsula and with

Japan's promised economic assistance, the statement dealing with Japan's concerns over the outstanding issues was very vague. Furthermore, the declaration made no specific mention of the "abduction" issue or the "spy boats," and contained nothing referring to North Korea's supposed apology. Though it did mention the moratorium extension on missile testing, it did not touch on the deployment, development, and export of missiles and missile-related technology to third countries.

Along with clarifying and settling the abduction problem, dealing with security issues is a precondition for normalizing relations. Given North Korea's political system, in which Chairman Kim Jong Il wields absolute power, it could be difficult for working- or senior-level officials to find solutions to the problems that were left unclear at the

Japanese abductees return home.
(October 15, 2002) (Kyodo Photo)

summit. Nevertheless, sticking to clearly defined positions in the security consultations referred to in the declaration is vital to ensure not only the security of Japan but also peace and stability in Northeast Asia.

At a meeting on October 9, the "Ministerial Council of Japan-DPRK Normalization Talks" (composed of the minister of State for Defense, the minister of Foreign Affairs, the chairman of the National Public Safety Commission, and the minister of Land, Infrastructure and Transportation, and others) decided on Japan's basic policy guidelines for normalization talks with North Korea, including a resolution to the abduction issue and the launching of bilateral security talks.

It was just as the Japanese government was about to make a cautious move toward solving the problems outstanding between the two countries that North Korea's uranium enrichment program came to light, heightening the seriousness of the security issues involved in normalizing ties between the two countries by raising the specter of nuclear missiles.

At the Japan-DPRK normalization talks on October 29-30 in Kuala Lumpur, held for the first time in two years, North Korea stated that although it could discuss security issues—which relate to its nuclear weapons and missile development programs—they could only be solved through bilateral talks with the United States. Yet they agreed to Director-General-level talks with Japan on these matters in November.

However, North Korea canceled this scheduled meeting in response to the Japanese government's decision not to send the five abductees back to Pyongyang. Initially, North Korea had allowed the five to return to Japan on October 15, but without family members. Japan demanded that all family members be allowed to return to Japan of their own free will, and decided not to send the five back. North Korea then suggested on November 14, that it would postpone security consultations indefinitely unless the five were returned. However, this impasse did not necessarily lead to the cancellation of the scheduled security meeting. It appears that the high priority North Korea places on bilateral negotiations with the United States, and its wish to shun talks with Japan, were really behind its suggestion to postpone security consultations indefinitely.

2. The Shaken “Agreed Framework”

(1) The Uranium Enrichment Program

On October 16, 2002, about a month after Prime Minister Koizumi's visit to North Korea, the U.S. State Department released a statement which said North Korea acknowledged that it had been developing nuclear weapons. According to the statement, when a

delegation led by Assistant Secretary of State James A. Kelly asked his North Korean counterpart—based on recent intelligence—whether North Korea had a uranium enrichment program for building nuclear weapons, North Korea admitted to having “such a program,” declaring that the Agreed Framework with the United States was nullified. The U.S. statement strongly called on North Korea to observe all its international agreements, including the Agreed Framework, and to abandon its uranium enrichment program.

In the past, North Korea's suspected nuclear weapons development program was based on using plutonium. The Agreed Framework that North Korea signed with the United States in October 1994 prohibited North Korea from engaging in nuclear proliferation, and the North subsequently froze its nuclear-related facilities. In exchange for this freeze, the Korean Peninsula Energy Development Organization (KEDO) agreed to provide North Korea with two light-water reactors and heavy oil. Light-water reactors are not suitable for producing weapon-grade plutonium; therefore, it was generally thought that North Korea's nuclear weapon program had been contained. In March 2002, however, the Bush administration already stated that it doubted North Korea was complying with the Agreed Framework.

North Korea's nuclear development program based on highly enriched uranium, brought to light by Assistant Secretary of State James Kelly, is capable of producing nuclear weapons without first testing them (with the exception of producing smaller and lighter weapons), which are the easiest type to produce. South Africa once produced uranium-based nuclear weapons without nuclear explosion testing. Compared to plutonium, a uranium enrichment program does not need large-scale nuclear facilities, and it is relatively easy to conceal uranium enrichment facilities. According to its statement of October 16, the United States obtained evidence that North Korea had begun a uranium enrichment program to develop nuclear weapons.

Although North Korea once admitted the existence of the suspected program, it subsequently evaded the question of whether it has—or is developing—nuclear weapons, and repeatedly asserted that it was “entitled to possess not only nuclear weapons but any type of weapon more powerful than that (to defend its sovereignty).” These actions are in clear violation of not only the Agreed Framework but also other international agreements—more specifically, the Nuclear Nonproliferation Treaty (NPT), the safeguard agreement with the International Atomic Energy Agency (IAEA), and the South-North Joint Declaration on Denuclearization of the Korean Peninsula (the Joint Denuclearization Declaration).

The Joint Denuclearization Declaration, stating that both South and North Korea do not, and shall not in the future, have uranium enrichment facilities, is an international agreement that most directly deals with this problem, but both South and North Korean authorities have rarely referred to it. For example, a joint declaration released on October 23 at the Inter-Korean Ministerial Talks, held immediately after the U.S. State Department’s statement referred to above, made no mention of the Joint Denuclearization Declaration. As such, some even say the Denuclearization Declaration has become a meaningless document.

However, the U.S. State Department’s statement of October 16 contains a passage stating, in effect, that North Korea’s nuclear development is in violation of the Denuclearization Declaration. In their joint statement of December 3, the leaders of China and Russia also stressed the importance of maintaining a nuclear-free Korean Peninsula. Even South Korea, which did not seem keen on pressing North Korea to observe the Denuclearization Declaration, agreed in a joint Japan-U.S.-South Korea Trilateral Statement on October 26, 2002, that North-South dialogue and the opening of Japan-DPRK normalization talks can serve as important channels to call upon the North to respond quickly and convincingly to the international community’s demands for a denuclearized Korean Peninsula. As the Agreed Framework requires North Korea to

Table 1-2. North Korean Moves Relating to Its Nuclear Development (2002)

Oct.	3	James Kelly, U.S. assistant secretary of state, visits North Korea (3-5)
	16	The U.S. State Department issues a statement that North Korea has admitted to a nuclear weapons development program.
	17	A spokesman for the Chinese Foreign Ministry says that China has consistently supported denuclearization of the Korean Peninsula.
	17	U.S. Secretary of State Colin Powell declares the United States has no present plan for military action against North Korea.
	17	U.S. Secretary of Defense Donald Rumsfeld says that he believes North Korea has a small number of nuclear weapons.
	23	A joint press release of the eighth Inter-Korean Ministerial Talks held in Pyongyang says that "the parties will actively cooperate to resolve all problems through dialogue, including the nuclear issue."
	25	A spokesman from the North Korean Foreign Ministry acknowledges that North Korea told U.S. special envoy James Kelly that "the DPRK is entitled to possess not only nuclear weapon [sic] but any type of weapon more powerful than that," and demands that the United States conclude a nonaggression treaty with North Korea.
	26	The leaders of Japan (Koizumi), the United States (Bush), and South Korea (Kim Dae Jung) demand that North Korea dismantle its uranium enrichment program (Los Cabos).
	27	Leaders of APEC member countries demand that North Korea abandon its nuclear weapon program (Los Cabos).
	29	Japan-DPRK normalization talks are held in Kuala Lumpur (29-30).
Nov.	14	The executive board of the Korean Peninsula Energy Development Organization (KEDO) decides to suspend oil shipments to North Korea.
	15	U.S. President George W. Bush declares that "as I made clear during my visit to South Korea in February, the United States has no intention of invading North Korea."
	16	A spokesman for North Korea's Ministry of Railways charges that the United States hindered the project of relinking railways and highways between North and South Korea.
	21	A spokesman for North Korea's Foreign Ministry criticizes the United States for suspending oil shipments.
	25	U.S. Secretary of State Colin Powell states that he has conveyed a message to Gen. Pervez Musharraf, Pakistani president that any sort of contact with North Korea would be inappropriate.
	28	A comment aired by Radio Pyongyang says North Korea has no nuclear weapons development program.
	29	The board of governors of the International Atomic Energy Agency (IAEA) adopts a resolution demanding North Korea immediately allow inspections and dismantle its nuclear weapons program.
Dec.	10	U.S. and Spanish navy vessels inspect North Korean cargo ship off Yemen carrying Scud missiles.
	12	A spokesman for North Korea's Foreign Ministry announces that the

DPRK has decided to end the freeze on its nuclear facilities and "immediately resume the operation and construction of nuclear facilities to generate electricity."

- 13 A spokesman for North Korea's Foreign Ministry demands an apology and compensation from the United States for its "piracy" of North Korea's cargo boat carrying missile parts.
- 15 A spokesman for North Korea's Committee for the Peaceful Unification of the Fatherland issues a statement saying that reactivation of its nuclear facilities "does not pose any threat to the South."
- 16 Japan-U.S. Security Consultative Committee (2+2) warns that "North Korean use of weapons of mass destruction, such as nuclear, chemical, and biological weapons, would have the gravest consequences."
- 22 The Korean Central News Agency reports that North Korea has begun breaking IAEA seals on its nuclear facilities and removing monitoring cameras.
- 27 North Korea announces the expulsion of IAEA inspectors.
- 27 Incoming South Korean President Roh Moo Hyun issues a statement asking North Korea to reverse the series of measures it has taken.
- 31 IAEA inspectors leave North Korea.

Sources: Compiled from *RP Kita-Chosen Seisaku Doko* (Radio Press, *Trends of North Korea's Policy*); the website of the U.S. State Department; and other news sources

abide by the Denuclearization Declaration, the latter can still be said to be in force. And in the Pyongyang Declaration, both Japan and North Korea confirmed that North Korea should abide by all international agreements related to nuclear weapons.

At the meeting of the National Defense Committee of the National Assembly on October 18 where the North Korean nuclear development problem was discussed, South Korean Defense Minister Lee Jun testified that U.S. and South Korean intelligence agencies are carefully monitoring the North's uranium-based weapons program. Thus, even when the mood was improving between South and North Korea, the United States and South Korea grew increasingly vigilant in watching the North's nuclear program.

(2) North-South Relations amidst Suspected Nuclear Development

One important consequence of the U.S. State Department's statement is that it stirred dissatisfaction among South Koreans with

President Kim Dae Jung's so-called Sunshine Policy—in which his administration proceeded with cooperative North-South projects—thus skirting other serious issues such as the abduction of South Korean nationals, South Korean prisoners of war from the Korean War, and the development of nuclear weapons by North Korea. Actually, approximately 500 South Koreans have officially been recognized as having been abducted to North Korea, and a number of people felt disappointed by the fact that North Korea apologized to Prime Minister Koizumi of Japan before an apology was issued to the South. When North Korea's admission that it had been developing nuclear weapons was made public by the United States on October 16, Assemblyman Lee Hoi Chang, then a powerful conservative presidential candidate, asserted that if North Korea did not comply with IAEA inspection, South Korea's entire policy toward the North would be reexamined. In addition, he charged that the North-South Joint Declaration, issued at the North-South summit meeting of 2000 and characterized as a major achievement of the Sunshine Policy, had failed to address the issue of weapons of mass destruction (WMD).

At the eighth Inter-Korean Ministerial Talks on October 20, the Kim Dae Jung administration addressed the issue of nuclear development for the first time in a long time. Although a statement was included in a joint press release confirming that the two countries would try to settle the nuclear issue peacefully (see below), North-South projects, such as forging railway links, proceeded independent of the nuclear issue.

Worth noting in this context—unthinkable at the height of the nuclear crisis in the first half of the 1990s—is the fact that North Korea never suspended contact with the South Korean government or private businesses, even during the North's face-off with the United States. Instead, North Korea called on South Koreans to close ranks against the United States, and repeatedly carried out acts designed to blame the crisis on the United States.

For example, work to remove land mines in the demilitarized zone

(DMZ) in order to reconnect the two countries' rail and road networks was temporarily suspended about 100 meters from completion. North Korea refused to submit to the Military Armistice Commission a list of North Korean participants on the mine clearing verification team, required by the Armistice Agreement, arguing that since the railway project was a bilateral issue between the North and South, the Armistice Agreement with the United States was irrelevant. At the time, the North Korean Ministry of Railways charged through the Korean Central News Agency that the United States was "hindering the projects for relinking the severed blood ties of the Korean nation." During this period, however, the North actively consulted with South Korea on cooperation over reconnecting the railway and highway systems of the two countries and marine transport. The two countries also agreed on a timetable for conducting a joint survey, and on establishing a North-South sea route.

Actually, public criticism of the South Korean government for not standing up to North Korea on the issue of weapons of mass destruction was not that vocal in South Korea. As the belief grows that reunification of the two Koreas is being thwarted by outside interference, South Koreans are feeling less threatened by nuclear weapons in the hands of their brethren in the North.

Paragraph 1 of the North-South Joint Declaration of June 2000 states, in part, that the North and South "have agreed to resolve the question of reunification on their own initiative and through the joint efforts of the Korean people, who are the masters of the country." As this passage suggests, the Sunshine Policy is connected to this social trend. The Kim Dae Jung administration fueled the perception that the cooperation projects undertaken with the North, such as the railway system, were instrumental in elevating South Korea to the "hub of Asia." In the belief that North-South problems should be viewed from a broader perspective, President-elect Roh Moo Hyun also made similar statements during his campaign.

The Sunshine Policy actually does not simply represent a soft

line toward North Korea. It is based on the concept of pursuing a leading role for the Korean people in the unification issue while embracing “the main enemy”—North Korea. One senses that since North Korea thoroughly understood the thinking of the South Korean leadership, it maintained a cooperative stance with the South while sticking to its uncooperative position regarding nuclear weapons and missiles.

3. The Nuclear Development Program as a Diplomatic Card

North Korea is pressing ahead with its uranium enrichment program with a view to developing nuclear weapons, knowing full well it is in violation of international agreements. While North Korea's highest priority is the survival of the Kim Jong Il regime, it is obsessed by the suspicion that “imperialist America” is trying to suffocate its regime. As it appears that North Korea is having difficulty replacing its conventional weapons due to its shrinking economy, there is no denying the possibility that it is leaning toward developing nuclear weapons and other types of WMD with its limited economic resources. In 1998, India and Pakistan took the plunge and openly tested nuclear bombs, and this may have emboldened North Korea.

Additionally, North Korea's nuclear development may have a diplomatic purpose. To achieve its objective—the survival of the present regime—it is believed that North Korea sees the uranium enrichment program as a way to extract U.S. support to help the Kim Jong Il regime survive. Some analysts believe that the uranium enrichment program was not designed to develop nuclear weapons, but rather to be used as a new diplomatic card. Others believe that initially it was intended to produce nuclear weapons, but when the weapons program was detected, only then did North Korea switch to playing the diplomatic card.

When the U.S. State Department issued its October 16 statement, North Korea tried to use it for diplomatic gain. Its first offi-

cial reaction to the U.S. statement was a comment by a spokesman from the North Korean Foreign Ministry, in which North Korea acknowledged that it had told U.S. special envoy James Kelly that due to the U.S. threat, the North “possesses not only nuclear weapon but any type of weapon more powerful than that.” However, the English service of the Korean Central News Agency, which carried this statement, said that the DPRK is “entitled to possess” these weapons. It cited “the ever-growing U.S. nuclear threat,” but made no direct mention of nuclear weapons or the uranium enrichment program, neither denying or acknowledging them. Most likely North Korea realized that an acknowledgment would encourage international sanctions (or more stringent measures), while a denial might undermine its value as a diplomatic card.

North Korea claimed that the U.S. government had repeatedly violated the Agreed Framework, and in the past had sought U.S. compensation for these breaches. This time, however, there was no mention of economic compensation. Although North Korea did not explicitly say whether the Agreed Framework had been invalidated or not, on numerous previous occasions Radio Pyongyang had stated the necessity of maintaining the Agreed Framework.

North Korea demanded a nonaggression treaty with the United States, including the non-use of nuclear weapons, and said that it would then be ready to assuage U.S. security concerns. Up until then, North Korea had been seeking a peace treaty with the United States, in place of the existing Armistice Agreement. In its recent nonaggression treaty proposal, North Korea did not mention canceling the Armistice Agreement, therefore it appears that North Korea desperately seeks a U.S. guarantee of the survival of its present regime.

Lastly, North Korea believes there are two ways—negotiation and deterrence—for maintaining its right to sovereignty and existence, and has made it clear that they will negotiate with the United States.

4. The Bush Administration and Japan-U.S.-South Korea Cooperation

(1) U.S. Policy

The Bush administration stance on North Korean nuclear development was that unless North Korea first gives up its nuclear ambitions, the United States would neither enter into talks with it nor provide any further inducements, and that all actions taken by North Korea must be visible and verifiable. Since the Bush administration first came into being, it has consistently demanded that North Korea modify its military posture and improve its human rights record. As long as North Korea fails to take concrete actions to meet these demands, the United States will not take any action to improve relations with North Korea. In response to North Korea's proposal for a nonaggression treaty, the United States demanded that North Korea first dismantle its nuclear development program.

The United States also said that the nuclear weapon problem should be solved through peaceful diplomatic means. When President Bush visited South Korea in February 2002, he declared that "the United States has no intention of invading North Korea," and he subsequently reaffirmed that policy on a number of occasions. The United States did not consider the military option for the following reasons: (1) given the military face-off between the North and South along the demilitarized zone, it is difficult to localize and contain the use of force against North Korea (unlike Iraq), and in the event of a war, South Korea would be exposed to grave risks; (2) both Japan and South Korea want to solve the problem peacefully; (3) the United States has to concentrate its armed forces on the war against terrorism and possibly Iraq; and (4) China and Russia might not sit idly by and watch North Korea collapse.

Furthermore, in order to apply diplomatic pressure on North Korea, the United States, attaches great importance to harmonious relations with Japan and South Korea, and needs the cooperation of the international community. Subsequently, leaders from China,

Russia, the EU, the Asia-Pacific Economic Cooperation (APEC), and the board of governors of the IAEA advised North Korea to dismantle its nuclear development program and comply with IAEA inspections.

Finally, the United States maintains that it was North Korea that announced the Agreed Framework nullified, and it has not made a final decision on the status of the Agreed Framework. More specifically, the United States said that it would not rush to a decision on whether construction of the light-water reactors should be suspended or not. However, as we shall see later, it appears that the United States has urged other members of the executive board of KEDO to unanimously support the suspension of oil shipments to North Korea.

(2) Japan-U.S.-South Korea Cooperation

Leaders from the United States, Japan, and South Korea met in Los Cabos, Mexico, on October 26, 2002. The three leaders called upon North Korea to dismantle its nuclear program in a prompt and verifiable manner, and to fully comply with all international commitments as agreed to in the Japan-DPRK Pyongyang Declaration. They also confirmed their resolve to settle this matter through diplomatic means. However, while the United States refused to negotiate with North Korea until it first lives up to its international commitments in concrete terms, both Japan and South Korea took a different position.

At the Japan-DPRK normalization talks held October 29-30, Japan emphasized the importance of solving security issues, including the North's nuclear program, along with the abduction problem, and called upon North Korea, in keeping with the trilateral joint declaration issued in Mexico, to dismantle its uranium enrichment program promptly and verifiably and comply with IAEA inspection. In response, North Korea sought to make economic cooperation its top priority, and both countries failed to bridge this gap. Meanwhile, voices calling for an early solution to the abduc-

tion problem have mounted in Japan, and these are likely to determine Japan's next move on the issue.

The government of President Kim Dae Jung also demanded that North Korea dismantle its nuclear development program. At the eighth Inter-Korean Ministerial Talks held in Pyongyang from October 20, South Korea repeatedly urged North Korea to insert the words "nuclear issue" into the joint press release. In the end they agreed to "actively cooperate to resolve all problems through dialogue, including the nuclear issue."

One gets the impression that South Korea did not want to irritate North Korea by pressing it too hard with the nuclear issue, and at the same time the South wanted to defuse tension between the United States and North Korea. For example, even after North Korea's nuclear program came to light, South Korea refrained from pressing North Korea to observe the Joint Denuclearization Declaration banning uranium enrichment. Furthermore, Kim Dae Jung government did not consider halting or delaying projects with North Korea due to the North's breach of the Joint Declaration. On October 26, Seoul received a visit from a North Korea an economic study group, led by a North Korean minister. Judging from these, President Kim Dae Jung may have believed that on the eve of a new government taking power, it was important to maintain the momentum of his Sunshine Policy, one that places priority on people-to-people exchanges and economic cooperation with the North. At that time, however, it was widely believed that the chances of candidate Roh Moo Hyun (who is expected to follow the Sunshine Policy) were not very good.

One reason that inter-Korean projects enjoy popular support in South Korea, despite the discovery of North Korea's nuclear program, is the widely shared aspirations of leading role of the Korean people concerning the unification issue. Yet, since the goals of the Sunshine Policy cannot be realized without the cooperation of countries concerned, South Korea could face a dilemma over these two elements of diplomacy. The U.S.-South Korea Security Consultative

Meeting in December confirmed that the two countries will keep step with one another in dealing with the North. At the same time, U.S. Defense Secretary Donald Rumsfeld had to express his personal sadness and regret for the deaths of two South Korean girls run over by a U.S. military vehicle. In such an environment, calls for an amendment to the Status of Forces Agreement covering U.S. military personnel stationed in South Korea have increased among the population. President-elect Roh Moo Hyun asserted that U.S.-South Korea relations should be "horizontal." What this means in practice, as it applies to his stance toward the United States and the North's nuclear program, will have considerable ramifications. Some people in both South Korea and the United States have begun worrying in private about the future status of the U.S. Forces Korea. If resolution of the problems between the United States and South Korea drags on, Japan will likely assume a more active role in security issues caused by North Korea.

5. The Declaration Ending the Freeze on Plutonium Production

The executive board of KEDO, made up of representatives from Japan, the United States, South Korea, and the EU decided on November 14, 2002, to suspend heavy fuel oil shipments to North Korea in December. The KEDO had been supplying North Korea with oil as part of the compensation package for freezing its graphite-moderated reactors (which the North had claimed were used for electric power generation), pursuant to the Agreed Framework between the United States and North Korea. Under the arrangement, the KEDO would ship 500,000 tons of oil a year to North Korea, until the first light-water reactor (of two promised) is completed, with the United States bearing the cost. The suspension of oil shipments was meant to pressure North Korea into taking concrete and credible actions to completely dismantle its uranium enrichment program.

In response, North Korea hardened its confrontational stance toward the United States and Japan. On November 21, a spokesman for the North Korean Foreign Ministry took the United States to task, claiming that the United States had not only violated the Agreed Framework, it had scrapped it completely. The spokesman openly expressed anger at the Bush administration for having spurned North Korea's proposal to conclude a nonaggression treaty. Prior to that, North Korea had indefinitely shelved security consultations with Japan, and also hinted at the possibility of canceling the moratorium on missile testing, saying "there is no reason for the DPRK to show any longer magnanimity as regards the issue of missile test-fire."

This issue has far-reaching international implications. North Korea's development of nuclear-related technology began in the early 1960s. In 1965, the former Soviet Union provided it with a IRT-2M research reactor at Yongbyon, and decades later it reached the point where it could develop plutonium-based nuclear weapons on its own. It is also suspected that Pakistan, having developed uranium-based nuclear weapons before North Korea, has assisted the North's uranium program. Toward the end of November, the *New York Times* carried a detailed report alleging that North Korea had bartered missile parts for Pakistan's uranium-enriching technology and gas centrifuges. Though U.S. Secretary of State Colin Powell shied away from confirming this report, he stated that he had told President Musharraf of Pakistan that any sort of contact with North Korea would be inappropriate.

On December 10, navy vessels from the United States and Spain inspected a North Korean cargo ship in the Indian Ocean and found Scud missiles bound for Yemen, confirming that North Korea has been proliferating ballistic missiles in the Middle East.

On December 12, a spokesman for the North Korean Foreign Ministry announced that North Korea had lifted its nuclear freeze, and declared that North Korea will "immediately resume the operation and construction of nuclear facilities to generate electricity."

The spokesman reasoned that by virtue of the suspension of oil shipments, "the Nited States has, in fact, brought the Agreed Framework to the verge of collapse." At the same time, North Korea implied that it hoped to resume its dialogue with the United States, saying, "it is the invariable stand of the DPRK government" to find a peaceful solution to the nuclear problem on the Korean Peninsula. However, North Korea's graphite-moderated reactor can also be used to extract plutonium, yet no electric transmitting cables were seen in the vicinity of the reactor, and it is not economical to use this type of reactor only for generating electric power. So North Korea's resumption of its reactor operations is most likely aimed at extracting plutonium rather than generating electricity.

The Bush administration criticized North Korea and did not accept its explanation. North Korea has initiated an extremely dangerous game by obfuscating whether it will abandon its nuclear program, whether it will actually resume production of plutonium-based nuclear weapons, or whether it will announce that indeed it possesses nuclear weapons, as the United States strongly suspects.

Under such a scenario, negotiations resulting from the Japan-North Korea summit will assume greater importance. Due to the growing anti-American feeling among South Koreans, and the differences between the United States and South Korea over the way the South pursues its Sunshine Policy, discord may surface over their policies toward North Korea. Therefore, the Japan-North Korea normalization talks and security talks, as characterized in the joint declaration of the Japan-U.S. Security Consultative Committee (SCC or the so-called "2+2" meeting), in Washington, D.C. on December 16, have become an increasingly important channel to settle the security and abduction problems. Japan must not only make efforts to settle issues with North Korea but also to strengthen cooperation with the United States, and to keep pace with South Korea in a joint effort to solve all the outstanding security issues, including the nuclear and missile questions.

Reference

North Korea's Position on the Agreed Framework

- The United States failed to live up to the Agreed Framework.
- The United States had promised to provide the DPRK with light-water reactors by the end of 2003, but could not meet this deadline, thus breaching Article 1 of the Agreed Framework and leaving the DPRK with no prospects for electric power beyond 2003.
- The United States and the DPRK had agreed to normalize political and economic relations, but the United States maintained its hostile policy and economic sanctions, labeling the DPRK a member of the “axis of evil,” thus acting in breach of Article 2.
- The United States has promised not to use nuclear weapons on the DPRK nor intimidate it with the threat of nuclear weapons, but the DPRK has become a possible U.S. target for a preemptive nuclear attack.
- The DPRK had agreed to allow inspections of its nuclear facilities after it received the non-nuclear components, including turbines and generators for its light-water reactors, but the Bush administration demanded that it allow nuclear inspections immediately.

Source: North Korean Foreign Ministry statement dated Oct. 25, 2002, from the *Rodong Simun*, Oct. 26, 2002.

