Washington and Seoul have been preoccupied with election campaigns during the past three months. Their policies toward North Korea, although controversial, have not been significant issues in either the National Assembly election in Korea or the presidential primaries in the U.S., thanks primarily to the absence of provocative actions by Pyongyang. Close consultations at the official level have maintained the compatibility of the policies each administration continues to pursue with Pyongyang, which has focused much of its attention this quarter on diplomatic initiatives toward Japan, China, Italy, and others.

Campaign Preoccupations

With Korea preparing for National Assembly elections on April 13 and the United States caught up in the presidential primaries, politics has dominated public attention in both capitals these past three months. In both countries, the campaigning has focused almost exclusively on domestic issues. On the few occasions that Asia has come up in the American primary debates, the issue has been China rather than Korea. The few references to Korea have occurred in the context of North Korea providing the justification for U.S. missile defense programs.

In Korea, where National Assembly elections revolve around personalities and regional politics, issues such as relations with the U.S. are unlikely to play a role and they have not done so this year. Bilateral issues do exist -- suspicions about U.S. deals with Pyongyang, resentment of U.S. constraints on ROK missile programs, anger over incidents involving U.S. troops, U.S. pressure on trade issues such as film distribution -- but they have not surfaced significantly in the electoral campaigns.

North Korea is frequently a factor in Korean elections. Often this is because conservative politicians use North Korean provocations to rally opinion in their favor. Yet, North Korea has not been a significant factor, at least thus far. Pyongyang’s pronouncement on March 23 regarding new navigation corridors in the sea west of the DMZ is ominous and may indicate that North Korea could take military actions that would impact the election.

Policy toward North Korea has been an occasional topic in the National Assembly election campaign. A momentary stir developed in the South Korean media when President Kim Dae-jung responded to a press question about Kim Jong-il by stating that the North Korean leader seemed to be an intelligent person. Conservative politicians have snipped at President Kim for a lack of reciprocity in dealings with the North, but there has not been any serious opposition to engagement as a policy. For example, in March, President Kim’s Berlin Declaration -- which promised cooperation if North Korea would enter dialogue with Seoul -- was attacked by opposition leader Lee Hoi-chang as a campaign ploy to gain support for his engagement policy.
What was new here was President Kim’s implicit belief that olive branches to Pyongyang will help his party’s campaign. In the past, it has only been hard line rhetoric that has garnered votes.

The Clinton and Kim administrations’ skill in managing alliance relations has been one factor keeping bilateral U.S.-ROK issues out of domestic politics. Both capitals can also thank North Korea, which has eschewed provocative acts (though not rhetoric) in recent months. Conversely, Pyongyang has been engaged in a diplomatic offensive to improve and expand its relations internationally. Its most important initiatives have been with China, whose embassy in Pyongyang received an unprecedented visit by Kim Jong-il in March, and Japan, with whom steps toward the resumption of normalization talks have been taking place.

**Staying on Course with North Korea**

Through these campaigns, the Kim and Clinton administrations have been working to keep their respective policies toward North Korea moving forward. Unfortunately, North Korea has not been responsive. Starting with his New Year address, President Kim Dae-jung has floated a series of proposals for governmental dialogue with North Korea. In January, he proposed establishing a joint economic commission to promote North-South trade and investment. At the founding of the Millennium Democratic Party later that month, President Kim said that if his party won the coming elections he would work for a North-South summit. Kim’s Berlin Declaration in March included another proposal that the North and South exchange special envoys in Panmunjom. None of these initiatives has elicited a positive response from Pyongyang, which continues to blame Seoul for the absence of dialogue. In addition, the stalled Four-Party Talks, in which Seoul does participate, have not convened since the unproductive meeting in August last year. (Subsequently, in early April, rumors appeared in the Seoul press of secret North-South talks in Beijing. These were confirmed with the announcement on April 10, three days before the election, of plans for a North-South summit in June.)

For its part, Washington has been working patiently to advance the Perry process. Special Ambassador Kartman met with North Korean Vice Foreign Minister Kim Gye-gwan first in Berlin in January and again in New York in March. Kartman’s goal has been to arrange the first trip to Washington by a senior North Korean official, reciprocating former Secretary Perry’s May 1999 visit to Pyongyang. During the coming visit, Washington wants North Korea to agree to a bilateral undertaking to continue its moratorium on missile testing. Such a bilateral agreement would strengthen and replace Pyongyang’s current unilaterally announced moratorium.

Although the administration had originally hoped this senior visit would take place last October, Pyongyang has been reluctant to move forward. This is disappointing, yet not surprising, as the steps toward abandoning its missile programs that Washington seeks would represent a fundamental change in Pyongyang’s defense and domestic policies. For its part, Pyongyang has been pressing the U.S. to remove North Korea from its list of governments that support terrorism to create the proper environment for such a visit. At the talks in New York, the U.S. again explained the steps North Korea would need to take to justify removing it from the Terrorism List. Whether Pyongyang will take these steps in the near future is an outstanding question. In
late March, the DPRK ambassador in Beijing, who is often a mouthpiece for hard line positions, rejected the idea of a senior visit taking place while Pyongyang is still on the list.

The meetings in New York ended without agreement on arrangements for the senior level visit. The U.S. did announce that Pyongyang had agreed to talks on missile and nuclear issues, to arrange a second U.S. visit to the previously suspect underground site at Kumchang-ri, and to continue planning for a senior visit. While holding such talks would be useful, it does appear that Pyongyang is not prepared to proceed with the senior visit in the near future. In the wake of the most recent New York meeting, the Clinton administration is assessing what more might be done to sustain the Perry process -- a subject which was on the agenda of the March 30 Trilateral Coordination and Oversight Group (TCOG) meeting in Tokyo.

The possibility, however slim, of progress in U.S.-DPRK relations at a time when North Korea is not responding to Seoul’s proposals for dialogue has again raised concerns in Seoul that the U.S. is getting out ahead of South Korea. President Kim does not share these concerns and has encouraged Washington, as well as Tokyo and others, to pursue progress in their relations with Pyongyang, believing this would improve the prospects for North-South dialogue. His own views notwithstanding, Kim has to pay heed to critical public opinion, and this has been one of the factors motivating his various proposals to Pyongyang.

Seoul and Washington have been consulting regularly through visits, bilateral meetings, and the TCOG. Foreign Minister Lee Joung-binn’s visit to Washington in March was in part devoted to exploring ways to keep both North-South dialogue and U.S.-DPRK relations moving ahead in sync. As Foreign Minister Lee put it, these are the two rails on which the policy of engagement with Pyongyang must ride.

**Managing Other Bilateral Issues**

A further round of U.S.-ROK missile talks was held in Hawaii in February. The talks were intentionally shielded from the press because both Seoul and Washington recognize that this is a potentially explosive public issue, particularly in the midst of an election campaign. While no public statements were made, officials on both sides indicate privately that differences have been significantly narrowed. Both capitals express optimism that a mutually acceptable resolution can be crafted in the near future.

The parallel Korean and American investigations of the Nogun-ri incident are proceeding. Delegations from each side have made additional visits in furtherance of their investigations. There is an underlying tension between the Korean desire for an early response to the grievances of victims and the U.S. military’s determination to have a thorough investigation that respects the rights of the military personnel who were involved. During U.S. Defense Secretary Cohen’s March visit to Seoul, the ROK asked that the investigations be completed by June, and Cohen undertook only to complete them as soon as possible. While this tension has been managed thus far, a prolonged investigation risks exacerbating the problem. The problems inherent in delay were reflected in the willingness of some of the aggrieved families to work with a high profile American lawyer to pursue compensation claims.
A couple of recent incidents involving U.S. troops in Korea have led to minor protests and some pressure on the Korean government to revise the custody provisions in the Status of Forces Agreement (SOFA). In March, Secretary Cohen agreed to resume in April the SOFA negotiations that had been broken off in 1996 after several unsuccessful attempts to reach agreement on revised procedures.

In the economic sphere, this quarter has not seen high profile trade disputes or significant progress in ongoing U.S.-ROK negotiations. One welcome development was the agreement between Daewoo and its foreign creditor banks on the liquidation of outstanding loans, which was reached in January and finalized in late March. This issue was holding up Daewoo’s reorganization and had the potential to become an intergovernmental issue as indicated by Treasury Secretary Summers’ earlier involvement. Another potential problem area is U.S. access to the Korean auto market. Last year Korea sold almost 450,000 vehicles to the U.S., while the U.S. exported less than 1,000 to Korea. The U.S. would be pursuing this issue more vigorously if Ford and GM were not bidding to purchase Daewoo Motors. Finally, there are concerns in Washington that the Korean elections have slowed economic reform and that if Kim emerges from the elections without a workable majority in the National Assembly, the completion of the needed reform agenda will be in jeopardy.

This year marks the 50th anniversary of the start of the Korean war and the beginning of a series of events in Korea commemorating the war. Washington and Seoul are discussing ways to commemorate the event. Seoul had hoped that President Clinton would visit Korea on June 25, the anniversary of the outbreak of the war. This will not occur, but the two governments are still discussing the possibility of Clinton visiting Korea in July in connection with his attendance at the G-8 summit in Okinawa.

Policy Implications

With North Korea avoiding provocative actions for these three months, Seoul and Washington have been able to pursue their respective policies toward the North in a mutually supportive manner. Future progress in either US-DPRK or inter-Korean relations, for example from the just announced North-South summit planned in June, would be welcome in both capitals. On the other hand, new confrontations with the North, such as a break in the North's missile testing moratorium or renewed naval encounters during the up-coming crabbing season in the sea west of the DMZ, could create strains in US-ROK relations. Should President Kim emerge from the coming National Assembly elections without the prospect of creating a working majority in the Assembly, which seems unlikely, this could undercut support for his engagement policy. However, the prospect of a North-South summit should sustain support for this policy for the time being, unless the planning collapses in a way that opens Kim Dae-jung to criticism.
Chronology of U.S.-Korea Relations
January – March 2000


Jan. 23, 2000: Daewoo committee reaches tentative agreement on bad foreign debts.

Jan. 28, 2000: U.S.-DPRK talks in Berlin end only with agreement to continue.


Feb. 11, 2000: The U.S. imposes punitive tariffs on steel wire and pipe from ROK and other countries.

Feb. 15, 2000: GM, Ford, and others asked to submit bids for Daewoo Motors.


Mar. 17, 2000: Undisclosed North-South contacts are initiated in Shanghai; then continued in Beijing


Mar. 23, 2000: Pyongyang proclaims navigation corridors in sea east of DMZ.


Mar. 30, 2000: Daewoo Committee finalizes deal to settle debt with foreign creditors.