



## U.S.-ROK Relations: The Sun is Still Shining . . . at Least for Now

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Dealing with North Korea remains the central issue in U.S.-Republic of Korea (ROK) relations. Despite quite different policy priorities toward Pyongyang, the Clinton and Kim Dae-jung Administrations were able to maintain mutually supportive policies toward North Korea during the past quarter. This was possible because of consultations and accommodation between the administrations in Seoul and Washington, but also because North Korea generally refrained from those actions that would have made it difficult for Seoul and Washington to reconcile their differences.

### **Significant Developments**

This spring has been a period of dynamic changes in U.S. and ROK dealings with North Korea. The fifth session of the Four-Party Talks was held in April. In May, the U.S. sent a team to inspect the suspect underground facility in Kumchang-ni. Also, former Secretary of Defense William Perry, who has been charged with conducting a review of U.S. policy toward North Korea, visited Pyongyang to lay out his policy views. The crossing of the Northern Limit Line (NLL) by North Korean naval vessels in early June led to a week-long naval confrontation in which a North Korea ship was sunk. Despite this clash, the first official North-South talks in over a year began on June 22 in Beijing at the Vice Ministerial level. Also of note in June, Kim Yong-nam, President of the Presidium of the Supreme People's Assembly, paid a five day official visit to China; the first foreign travel by a senior North Korean leader since the death of former President Kim Il Sung.

Such dramatic developments involving North Korea frequently create tension in U.S.-ROK alliance relations. The potential for problems was real this spring because Seoul and Washington have for the past year had quite different policy priorities toward North Korea. For Kim Dae-jung's administration, the priorities are first to avoid a serious confrontation with North Korea that would hamper Seoul's economic recovery and second to pursue its "Sunshine Policy" with North Korea in a consistent long-term manner. For Washington, the priorities are to constrain North Korea from further developing its missile and nuclear weapons programs. These differing priorities have presented a real, but not unfamiliar, challenge to alliance management. They were dealt with successfully in part through a pattern of frequent consultations.

## **Intense Consultations**

The schedule of on-going negotiations with North Korea produced the normal process of consultations within the alliance. Assistant Secretary of State Robert Einhorn was in Seoul in early April for bilateral U.S.-ROK missile talks and to debrief Seoul on the fourth round of U.S.-DPRK missile talks that had just concluded. U.S. Special Envoy for North Korean Affairs Charles Kartman consulted with his counterpart Ambassador Park Kun-woo in preparation for the Four-Party Talks and stopped in Seoul in connection with his trip to Pyongyang in May. Working level consultations were held concerning the U.S. team's visit to the Kumchang-ni facility, and the team returned via Seoul to debrief the ROK. Seoul informed Washington about the confidential North-South contacts in Beijing during May and early June that led to agreement to hold official Vice-Ministerial talks in Beijing. All this was quite routine.

However, the real focus of alliance coordination was the long running preparation for Perry's visit to Pyongyang. Perry had from the beginning been careful to consult Seoul, as well as Tokyo and also Beijing, and he made it clear that maintaining mutually supportive policies with Seoul was one principle that would underpin whatever policy he would eventually recommend. For Seoul, however, that was not enough. The Kim Administration, like its predecessors, needed to demonstrate to its public that it was actively involved in shaping Washington's policy on Korean issues.

In late April, Perry met then-Blue House National Security Advisor Lim Dong-won and Foreign Policy Bureau Director Ryoza Kato of Japan's Foreign Ministry in Hawaii for consultations on his review and visit planning. It was agreed this group would continue to meet regularly to coordinate on North Korea policy. The Kim Administration's subsequent public announcement that this forum was a new higher level Trilateral Consultation and Oversight Group (TCOG) reflected its need to demonstrate publicly its involvement in U.S. (and Japanese) policy making.

Foreign Minister Hong Soon-young traveled to Washington for further consultations in mid-May. Even though Hong had been told that Washington did not wish to confirm Perry's visit publicly until preparations were complete, when Hong met Secretary Albright on May 17, he stated publicly that Perry would be visiting Pyongyang. Again this reflected the Kim Administration's need to convey publicly that it was plugged in and ahead of the curve. While Washington was irritated at Seoul's leaks about U.S. plans, such leaks were nothing new and did not undermine cooperation. What counted with the Clinton Administration was Kim Dae-jung's commitment and record of consistently pursuing a policy of engagement with Pyongyang.

Perry's policy review represented a dilemma for Seoul. On the one hand, Seoul had helpfully reversed the previous Korean government's policy and told Washington that U.S. relations with Pyongyang should proceed even if Seoul's did not. This more flexible position was welcome in Washington. At the same time, Seoul naturally wanted to ensure that Perry's review served Korean policy interests. Continuing domestic pressure on the Clinton Administration to pursue a more confrontational approach toward

North Korea concerned President Kim and his advisors. Consequently, as Lim Dong-won put it, the ROK wanted not just consultations but a cooperative process “whereunder the United States and Japan should support (Kim’s) engagement policy toward the DPRK.”

For some months, President Kim and then National Security Advisor Lim had been privately and publicly urging Perry to pursue a “comprehensive” or “package” deal embracing all outstanding issues with North Korea. On May 5, less than three weeks before Perry’s visit, President Kim gave an interview to CNN again laying out his five principles for handling relations with North Korea, including urging the U.S. to normalize relations with Pyongyang. Lim’s consultations with Perry and Foreign Minister Hong’s visit to Washington were intended to ensure that the Perry proposals would be consistent with ROK policy.

Deciding how Perry should present a package of incentives reflecting the common approaches of the U.S., Korea, and Japan to entice North Korea to give up its nuclear and missile programs and pursue a reduction of tensions on the Peninsula proved quite difficult. Finally, it was agreed that Perry would convey U.S. policy but also deliver messages from President Kim and Prime Minister Obuchi when he met with Kim Yong-nam in Pyongyang. (Although Perry, as expected, did not meet with Kim Jong-il, his meeting with Kim Young-nam—the second highest official in North Korea in protocol terms—represented the highest level governmental talks between Washington and Pyongyang since the Korean War; Jimmy Carter visited the DPRK in his private capacity, not as an official representative.) Perry met with Lim and Kato in Tokyo en route to Pyongyang, and the three reiterated that Washington, Seoul and Tokyo were pursuing a “coordinated” approach toward North Korea. While Perry’s focus in Pyongyang remained on Washington’s nuclear and missile priorities, he presented a comprehensive package of incentives worked out with Seoul. In the end, Seoul was adequately satisfied, and President Kim publicly urged North Korea to accept the proposals even before Perry arrived in Pyongyang.

Perry stopped in Seoul en route back to Washington. The Kim Administration shares Perry’s view that North Korea will need some time to respond to the proposals. In the interim, attention in Seoul shifted to the naval incidents and preparations for the resumption of official North-South talks in Beijing. The North Korean intrusions across the NLL occasioned some minor friction between Seoul and Washington. Some U.S. government analysts privately commented that the ROK shared some of the responsibility for the escalation of the incidents along the NLL. The ROK for its part was irritated whenever the Clinton Administration appeared to adopt an even-handed posture on the issue. However, unlike the situation three years ago when then-Secretary of State Warren Christopher called on Seoul as well as Pyongyang to exercise restraint after a North Korean submarine ran aground in South Korea, these differences did not become significant issues.

## **Pyongyang Stops Short**

While consultation and accommodation helped in maintaining mutually supportive U.S. and ROK policies, it was also of crucial importance that the DPRK generally refrained from those provocative actions which would have made it difficult for Seoul and Washington to reconcile their different priorities.

Refusal to permit an inspection of the suspect facility at Kumchang-ni would have been one such provocative step. Pyongyang chose instead to strike a bargain. The absence of intelligence leaks in Washington about other underground facilities (of which there are many) also helped. Although repeatedly asserting its right to develop its missile programs, Pyongyang did not conduct another missile test this spring. (There were, however, several unconfirmed press reports that preparations were underway at North Korea's test center for another missile launch.) While North Korea's motivation in sending naval patrol craft across the NLL in June remains a matter of speculation, Pyongyang did not use the incidents as a pretext for aborting the planned North-South talks in Beijing and agreed to discuss the incidents in General Officer meetings in Panmunjom.

Despite this degree of restraint, Pyongyang continues to take provocative stands. The potential for disruptive actions involving Pyongyang's missile, nuclear or other weapons of mass destruction (WMD) programs remains real. In public and private, North Korea continues to highlight its goal of becoming a "powerful state." A joint commentary on June 16 entitled "Our Party's Policy of Giving Priority to the Army is Invincible" made explicit what has been long apparent. New provocative actions would be destabilizing for the region and create major strains in U.S.-ROK relations.

## **Other Bilateral Issues**

On other issues as well, U.S.-ROK relations have been remarkably positive. The rapid recovery of the Korean economy has been the other major development this spring. Both Seoul and Washington welcome the recovery but recognize that much needs to be done to complete financial and industrial restructuring. Many issues that might have created friction in the past have not done so. With the exception of some demonstrations related to the Korean film quota issue being discussed in the Bilateral Investment Agreement negotiations, trade issues have not provoked nationalistic responses or harmed overall relations. Similarly, the decision by U.S. airlines to stop code sharing arrangements with Korean Air for safety reasons following the Korean Air crash in Shanghai did not become a bilateral issue.

The U.S. government returned two minor properties to the Korean government in April. Although the question of revisions to the U.S.-ROK Status of Forces Agreement (SOFA) has not been resolved, this has not become an urgent or public issue. When questions arose over the potential impact on Korea of U.S. deployments to Kosovo, Washington dispatched an F-15 squadron to Korea. Differences over the valuation of

assets and risks have frustrated the conclusion of one high profile investment project, Newbridge Capital's planned purchase of Korea First Bank. Conclusion of this deal would have been a very positive development, but its delay has not been a source of bilateral friction. A number of other important American investments have gone forward.

The U.S.-ROK missile talks have continued. One round was held in Seoul in April and a further round in Washington in June, without reaching agreement. The military implications of the North Korean missile launch last August have created some new areas of disagreement in these long running talks. While potentially divisive, the discussions have continued away from public scrutiny.

Discussions on the funding of the Light Water Reactor (LWR) project in North Korea continued within the Korea Peninsula Energy Development Organization (KEDO). In June, Japan reached agreement with KEDO on the terms of its loan and Tokyo sent the required legislation to its Diet. (Korea's negotiations with KEDO, which had dragged on through the spring, were concluded immediately prior to President Kim Dae-jung's July 2-5 official visit to Washington.)

Why such potential irritants have remained in check is not entirely clear. The Kim Administration's continuing commitment to reform at home and good relations with Washington are certainly part of the explanation.

### **Implications for the U.S. and Regional Stability**

Solid alliance relations between Washington and Seoul based on mutually supportive policies toward North Korea are an essential element in managing security issues on the Korean Peninsula and contributing to regional stability in Northeast Asia. While the Clinton and Kim Administrations have managed their differences well, both governments are under continuing domestic pressure on North Korean policy. Seoul's firm response to the intrusions across the NLL has allowed Kim Dae-jung to appear resolute in dealing with Pyongyang, but the North's failure thus far to respond positively to a wide variety of overtures has weakened public support for Kim's engagement policy. In Washington, Kosovo and charges of Chinese espionage have dominated congressional and public attention to foreign affairs, but evidence of Pyongyang advancing its missile or nuclear programs would reignite opposition to the Clinton Administration's policies.

The engagement policies each administration is pursuing do present Pyongyang with new opportunities for more constructive external relations. Kim Jong Il now confronts choices which will be fateful for the course of relations on the Peninsula and in Northeast Asia. The incomplete information coming from Pyongyang can be interpreted in different ways. The Kim Dae-jung Administration is determinedly placing the most positive interpretation on North Korean developments. The Clinton Administration is more cautious in its assessment. Should Pyongyang take provocative actions on its missile and WMD programs, this would threaten regional stability and confront Seoul

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and Washington with major challenges in maintaining mutually supportive policies for responding toward North Korea.

## **Chronology of US-South Relations April-June 1999**

**April 1, 1999:** Assistant Secretary Robert Einhorn in Seoul for bilateral U.S.-ROK missile talks.

**April 12, 1999:** Goldman Sachs invests \$500 million to become largest shareholder in Kookmin Bank.

**April 20, 1999:** U.S. airlines cancel code sharing with Korean Air after Shanghai crash.

**April 23-26, 1999:** Fifth round of Four Party Talks in Geneva; “useful” talks but no agreements.

**April 24, 1999:** U.S.-ROK-Japan trilateral consultations in Hawaii; Trilateral Consultation and Oversight Group (TCOG) formed.

**May 3, 1999:** Japan reaches agreement with Korea Peninsula Energy Development Organization (KEDO) on Light Water Reactor (LWR) project loan terms.

**May 4, 1999:** President Kim Dae-jung restates five principles for North Korea policy in CNN interview.

**May 12, 1999:** President Kim says ROK will not participate in Theater Missile Defense (TMD) program.

**May 17, 1999:** Foreign Minister Hong in Washington for consultations on former Secretary of Defense William Perry’s visit to DPRK as North Korean Policy Coordinator.

**May 18-24, 1999:** U.S. team inspects suspect underground site at Kumchang-ni .

**May 19, 1999:** During Kosovo campaign, U.S. deploys F-15 squadron to Korea.

**May 25-28, 1999:** North Korea Policy Coordinator Perry visits North Korea; Trilateral U.S.-Korea-Japan consultations in Tokyo before and in Seoul after trip.

**June 3-7, 1999:** Kim Yong-nam leads DPRK delegation on official visit to China.

**June 7-14, 1999:** North Korean navy vessels cross Northern Limit Line (NLL).

**June 15, 1999:** ROK Navy sinks DPRK vessel; incursions across NLL stop.

**June 14-15, 1999:** U.S.-ROK missile talks in Washington.

**June 16, 1999:** U.S. announces deployment of air and naval surveillance assets to Korea.

**June 22, 1999:** North-South Vice-Ministerial meetings begin in Beijing.

**June 25, 1999:** U.S.-Korea-Japan TCOG meets in Washington to review NK developments.