


# North Korea's Legacy of Missed Opportunities

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# North Korea's Legacy of Missed Opportunities

**Mitchell B. Reiss, Director of Policy Planning**

Remarks to the Heritage Foundation  
Washington, DC  
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Thank you, Peter. It is a pleasure to be here again at Heritage - a place whose prominent voice has played an important role in shaping our national debate about East Asia and the world. Indeed, it is a particular pleasure to speak about North Korea to this audience and at this institution. Heritage's Asian Studies Center is one of Washington's leading repositories of expertise on East Asia. Secretary Powell's B.C. Lee lecture here last week is testament to the impact you have made.

The Secretary likes to say that the United States is pursuing "a strategy of partnerships" around the world. And I know you will agree that we have made extraordinary progress in enhancing our cooperation with allies and partners in Asia. We are working together to tip the balance in favor of a world where democracy and markets prevail, terrorism is rare, women's rights are protected, WMD [weapons of mass destruction] is controlled, and, as the Secretary stressed in his lecture here last week, where the realm of human freedom can expand across the globe.

But we also face some unique challenges to our security. And today, I want to speak frankly about just one of those challenges: North Korea.

I earned my own stripes with North Korea the only way one can: the hard way. As chief negotiator with the Korean Peninsula Energy Development Organization, or “KEDO,” in the 1990s, I learned some important lessons: Dealing with North Korea is difficult. It is immensely frustrating. Many people regard its government as the poster child for rogue regimes. North Korea has failed at so many things, including even delivering the most basic human needs to its people. Food. Fuel. A minimal standard of living.

But North Korea does excel at some things, particularly exporting trouble.

Since this last round of Six-Party Talks has just finished, now is a good time to take stock of where we stand and where we may be heading. To talk about North Korea’s future; its relations with the United States; and its relations with its neighbors and the world.

### **North Korea’s Missed Opportunities**

It has become a cliché to say that “we know so little” about North Korea. And I agree there is much we do not understand about how decisions are made in Pyongyang, who makes them, and why. But, in fact, we have learned quite a lot these past ten years from intense U.S.-North Korean interaction; from Pyongyang’s track record with Seoul, Tokyo, the International Atomic Energy Agency [IAEA], the World Food Program, and KEDO; and from some of the North’s own domestic choices.

For one thing, we know that North Korea’s own actions repeatedly have made its strategic situation more precarious. The North Koreans like to loudly declaim that it is the United States – or Japan, or South Korea, or even the United Nations – that makes things hard for North Korea. But the leaders of North Korea need look no further than their own choices to understand how they came to their current predicament.

Consider this short list:

- North Korea cheated on its commitments to the IAEA under the NPT ... thus inviting enormous international pressure;
- North Korea violated the Agreed Framework ... thereby ensuring that the United States would cut off benefits and apply its own pressure;
- North Korea broke its 1992 denuclearization agreement with its brethren in the South, which included explicit provisions not to possess nuclear reprocessing and uranium enrichment facilities;
- The North’s 1998 ballistic missile test over Japan did more than almost any single event to stimulate the U.S. desire for missile defense and sparked a sea change in Japanese thinking about its national security interests;
- North Korea missed the olive branch extended by the South: it has been slow to follow up President Kim Dae-jung’s historic June 2000 visit to Pyongyang and to reciprocate his “Sunshine” policy and President Roh Moo-hyun’s “Peace and Prosperity” policy, thus sustaining residual distrust;
- The North routinely demands more food assistance, yet its refusal to allow normal monitoring of aid precludes the United States and other donors from considering the greater assistance Pyongyang claims it needs. On this point, it also needs to be said that a fundamental source of this problem is North Korea’s refusal to undertake the agricultural reforms needed to fill the needs of its people;
- Let us not forget also that North Korea failed, for 10 months, to take up the Bush Administration’s offer in 2001 to meet anytime, anyplace without preconditions, thus precluding the possibility of progress early in the President’s term; and

- Finally and more broadly, as the Cold War ended North Korea has been painfully slow to learn the lessons of the Chinese and Vietnamese economic reforms, wasting a decade and falling further behind the economic dynamism that characterizes the rest of the Asia-Pacific region.

### **North Korea's Choice**

History offers many lessons for those who miscalculate in this way: The Soviet Union chose to sink its limited resources into weapons rather than development. But its 30,000 warheads did not prevent its collapse from the rot of its own system. Others have made similar misjudgments. They believe they can preserve their system by force of arms alone. They overestimate their own resilience. And they underestimate ours and the resilience of our allies.

Today, North Korea confronts a pivotal choice: It can miscalculate again by clinging to its nuclear weapons programs and old ways of doing business. Or it can seize the opportunity we are offering to transform its relations with the outside world: completely, verifiably and irreversibly dismantle its nuclear programs and cease other unacceptable - and often illegal - activities.

If North Korea abandons its self-destructive and dangerous path, it can begin to work with the United States, Japan, South Korea, China, and Russia to enable its economic and diplomatic integration into the international system. It can use the ongoing Six-Party Talks to set itself onto a new - and more beneficial - course.

So let me talk frankly to you about our North Korea policy and the critical choices the North Koreans and we now confront. I plan to focus on three issues:

- The Six-Party Talks and the way forward in our diplomacy;
- The choices North Korea must make; and
- The possibilities that exist if Pyongyang makes the right set of choices.

### **The Six-Party Talks**

My colleague, Assistant Secretary of State for East Asia, James Kelly, has just returned from a second round of Six-Party Talks in Beijing. These talks, in themselves, are an important achievement. Some said it couldn't be done. They said our allies and partners wouldn't take ownership of the nuclear problem; that Chinese diplomacy was too passive; that the R.O.K. was too invested in forging economic links across the DMZ.

Today, President Bush's patience has been borne out. Our allies and other partners have stepped up, including the People's Republic of China, which has both facilitated and actively participated in the diplomatic process, joining us in insisting that North Korea end its nuclear weapons programs and comply with its commitments.

For the first time, all of North Korea's neighbors are sitting at the same table: those with the most immediate equities in its behavior; and those with the most tangible ability to demonstrate that there will be costs to continued non-compliance.

We have succeeded, as the Secretary said last week, in defining the North Korea issue as primarily a regional problem for the North Pacific community of which we are a part. We speak with a common voice. And we are all hearing the same message back from Pyongyang's representatives across the table.

North Korea may seek to play its neighbors off against each other. But the Six-Party process is

making that more difficult by forging a new unity among the other parties. Thanks to the Six-Party format, we are developing a common understanding and approach to the problem. No longer can the North tell Beijing one thing, Tokyo another, and Washington yet another. No longer can it harbor any illusions that its nuclear weapons program is - as it so often claims - a purely "American" concern.

On the contrary, North Korea is hearing the same message again and again from Seoul, Tokyo, Beijing, and Moscow. Nuclear weapons on the Korean Peninsula are unacceptable, full stop. At the last round of Six-Party talks, the message from the five parties to Pyongyang was unmistakable: Nuclear weapons have no place on the Korean Peninsula and they must go. North Korea now will have to ask itself: Is it prepared to transform its behavior and, thus, its relations with its neighbors? Or will it cling to an outdated approach that can only deepen its self-isolation?

Those of us in the Administration who work on this issue recognize that the way forward in the Six-Party Talks will not be easy. But the President has instructed us to achieve a peaceful, diplomatic solution - and we are determined to succeed, if at all possible.

Our immediate objective, as the President and Secretary Powell have said repeatedly, is the complete, verifiable, and irreversible dismantlement of the D.P.R.K.'s nuclear weapons programs. As the President said recently at the National Defense University, "Abandoning the pursuit of illegal weapons can lead to better relations with the United States and other free nations. Continuing to seek those weapons will not bring security or international prestige, but only political isolation, economic hardship and other unwelcome consequences." The burden for this must be on North Korea, not America. The issue at stake is not what America will "give," but rather what North Korea is - or is not - prepared to do.

Unfortunately, North Korea's violations of its past agreements have shredded its credibility from Beijing to Brussels. The United States and our partners expect an unambiguous indication from North Korea's representatives to the Six-Party Talks that their country is committed to permanent non-nuclear status and is prepared to completely dismantle all its programs, subject to international verification.

The North must fully implement its commitments: It must readmit international inspectors. It must account for its activities prior to 1994 and come into compliance with its IAEA obligations. It must dismantle both its plutonium- and HEU-based nuclear weapons programs, including all nuclear weapons-related technology. And it must come into compliance with the NPT.

Let me be clear. We want North Korea to understand one thing: The United States is committed to achieving a more "normal" relationship with a "normal" North Korea. But we cannot even begin the journey toward improved relations so long as the North clings to its nuclear programs. This is not, I should add, a uniquely "American" view. It is shared not only by our partners in the Six-Party Talks, but also by literally dozens of countries and organizations not party to the Talks.

That is why the IAEA Board of Governors - that Agency's 35-member policymaking body - referred North Korea's noncompliance with its obligations to the UN Security Council in January of 2003. It is why our EU and Australian partners, in their recent delegations to Pyongyang, so firmly urged North Korea to respond to the international consensus. And it is why the leaders of the Asia-Pacific Economic Cooperation forum, or APEC -leaders of some 20 countries from North Korea's own region - have called upon the D.P.R.K. to visibly honor its commitments.

### **From Rhetoric to Action**

Clearly, our expectation that the North must fundamentally alter its behavior sets a very high bar.

But how could it be otherwise given the North's track record, not to mention the extraordinary number of "demands" and preconditions that North Korea so routinely seeks to impose upon the Six-Party Talks? Indeed, it is difficult to know what to make of these demands. Take the North's repeated call for security assurances.

The United States has offered a variety of oral statements to the D.P.R.K., among them that we have no intention to invade the country, including President Bush's public statement in Seoul in February 2002. As the President and Secretary Powell have stated, we are prepared to join our partners in documenting a multilateral assurance to North Korea in the context of its implementation of an effective verification regime that will assure us that its nuclear program will not be reconstituted.

But is North Korea equally prepared to explain to us just why it wants this assurance? And above all, precisely why our providing a document will lead it to alter its legacy of bad - and often illegal - behavior? The North needs to answer these questions going forward.

For one thing, let no one forget that Pyongyang already has documented security assurances - in the form of its longstanding treaty commitments from Beijing and Moscow. Those assurances did not prevent it from pursuing nuclear weapons. Indeed, if the North regarded these assurances from its very closest allies as improving its security, it would not now be seeking additional assurances from the United States.

Why, then, does Pyongyang expect us to believe that assurances have such value? Are we to believe that it will surrender its tangible nuclear weapons program for an intangible promise of security? North Korea must recognize that the very best guarantee of its security is not a piece of paper, but a strategic determination to join the mainstream of the region - with all of the myriad trade, diplomatic, and cultural contacts this would entail.

Other questions North Korea must answer in the Talks are these: Will its representatives eliminate the inconsistency in their statements and tell us clearly what North Korea wants? Can they speak without ambiguity? The North must start speaking straight - with us, and with the world. Inevitably, the burden in the Talks must be focused squarely on the North. What does it want? And what is it prepared to do - not just say - to make that possible?

North Korea has been chasing two irreconcilable goals. One appears to be some modest economic revitalization and acceptance by the international community. The other is nuclear weapons and missile delivery systems. It must recognize - we must make it recognize - that it cannot have both.

Instead, North Korea must make up its mind to get right with the international community. Other countries, such as Libya, have made this choice. The lesson of Libya is that a country can begin to come in from the cold. But as Colonel Qaddafi appears to have learned, abandoning WMD is the first price of obtaining such assistance. Again, as President Bush stated clearly with respect to the example of Libya, "leaders who abandon the pursuit of [WMD and their means of delivery] will find an open path to better relations with the United States and other free nations...."

Ultimately, then, our expectations go beyond security assurances. Consider North Korea's demands for economic assistance, food, energy, and recognition. We are prepared to help on all these fronts if North Korea is responsive to our concerns. But what is North Korea doing to make it possible for the international community to help with any of these things?

The North says it wants financial assistance? Well, then, what further economic reform and restructuring measures is it prepared to take? The wage and price reforms that North Korea finally initiated in July 2002 were a start. But they have led to high inflation and created other social

problems. Is the North prepared to remake its capital markets? To reform outdated Leninist modes of economic management? Will it right the extremely inappropriate imbalance between guns and butter that has long characterized the very essence of the North Korean state? Without adopting international standards, North Korea cannot possibly expect international lenders to assist it in reforming its economy.

The North says it wants more food aid? Well, then, is it prepared to allow the World Food Program to apply the same monitoring and access conditions it applies to other recipients? Will it allow Korean-speaking international staff to conduct on-site inspections without days of advance notice? Will it allow access to all counties throughout North Korea? We are not making special requests here. These are WFP's standard operating procedures for countries all over the world.

The North says it wants energy assistance? Well, then, is it prepared to explain how it would manage supply and demand? To ensure fairness in the distribution and management of energy? To manage its grid? To adequately promote conservation? To wean politically-favored units off of the excess use of limited power?

The North says it wants us to recognize its sovereignty? Well, then, is it prepared to welcome the presence of foreign diplomats into North Korea? To allow them to walk the streets of Pyongyang, Kaesong, and Wonsan without official minders and function the way they do in nearly every country around the world? To meet and speak with ordinary North Koreans?

### **Transformed North Korea, Transformed Relations**

In the abstract, all of these things should be part of a transformed relationship with a transforming North Korea. But we will, in the first instance, require a permanent resolution of the nuclear issue. Beyond that, our objectives extend further than just a North Korea without nuclear weapons. As the North Koreans know well, our objectives are more encompassing. We do not simply seek a D.P.R.K. without WMD, but the transformation of the D.P.R.K. into a "normal" state.

We cannot reward North Korea, but we can and will help it, if it is prepared to make this transformation for its people and their future. As with Libya, a new beginning might become possible in our relations - and, thus, in the D.P.R.K.'s integration into the region and the global system. This is not, in any sense, a new objective. Many people forget that it began back in the Reagan Administration with the so-called "Modest Initiative" immediately after the 1988 Seoul Olympics.

The Bush Administration, too, has said we are prepared to improve our relations on a broad front as the North moves to address our concerns. It may well take time, but President Bush is patient. And our four partners to the Six-Party Talks share the objective of bringing North Korea in out of the cold. We believe North Korea should share this objective too.

I know my last statement may surprise some of you. Certainly, I know that Pyongyang, through its pronouncements, has made clear that it views our stated goal of a "normal" North Korea as politically loaded and inherently threatening to its regime. But can there be any alternative - even for the D.P.R.K. - if the Korean Peninsula is to achieve a stable future? What is Kim Jong-Il's vision of the future? Muddling through on the kindness of strangers? Or joining in the dynamism that has transformed a dozen countries in East Asia while passing North Korea by?

It is worth recalling that in the 1960s North Korea and South Korea were economic peers. It was an open question at the time which country would pull ahead of the other. Yet history has shown that the country that chose to join the international mainstream - the South - was the one that pulled itself up from poverty to wealth. And the South Korean people now enjoy the benefits that flow from

living in the world's 13th-largest industrial economy. And they have made their country into a global trading powerhouse.

This same human potential resides inside every Korean, wherever they may live, in the north or in the south. The difference - and the key to South Korea's success - is whether the political system will allow the talents, skills and abilities of its people to flourish. The South made that choice long ago. It is time - actually, it is well past time - for North Korea to make the same choice and unleash the talents that reside within all Koreans.

Ultimately, none of us can make Pyongyang's choices for it. These choices rest with North Korea's leaders alone. But this Administration has repeatedly made clear that North Korea cannot expect to be treated as a "normal" state unless and until it behaves like one, across the board.

We have no illusions that a transformation of the North, its behavior, and our relations will be achieved easily. North Korea's own legacy of missed opportunities does not inspire confidence that its leaders will see their way clear to making the right choices about their future and their country. But if North Korea is prepared to act, the United States is prepared to respond. We are prepared to respond to North Korean actions, not mere promises. And so I repeat - if it acts as a "normal" state, we will treat it as such.

Indeed, a North Korea that resolves our concerns and those of its neighbors, including unanswered questions about its abductions of Japanese citizens, might come to enjoy much of what has altered the very landscape of East Asia in recent decades, transforming streets and raising skyscrapers from Seoul to Singapore. These include:

- The benefits of people-to-people and cultural exchanges;
- Progressive removal of economic sanctions, tied to compliance on WMD and other commitments;
- Removal from the U.S. list of state sponsors of terrorism;
- Opportunities for economic and technical assistance - with agriculture, industrial retraining, education, financial expertise, economic management, and defense conversion; and
- Ultimately, the normalization of relations.

But if North Korea will not act, it will find the United States, its allies, and other partners equally prepared to respond with measures that ensure North Korea cannot threaten our countries or international stability. We are taking steps to enforce our laws against narcotics trafficking and counterfeiting of U.S. currency. These steps are ongoing and unrelated to the Six-Party Talks. We are entitled to expect legal behavior from all countries. With or without a denuclearization agreement, North Korea must cease its exports of dangerous weapons and the wide scope of its illegal activities.

We will pursue our Proliferation Security Initiative. We will pursue initiatives against drug smuggling and counterfeiting. We will insist on full accountability by the North Korean regime and its agents for their behavior.

The choice, ultimately, is theirs. As Secretary Powell sometimes puts it, the choice is between nuclear weapons and starvation, or a change in behavior and the potential for a transformed relationship with the international community, including the United States.

## **Conclusion**

Today, North Korea has a chance to overcome its unfortunate legacy of missed opportunities. As we

move to establish a working group and head toward a third round of Six-Party Talks, the way will be neither smooth nor easy. But President Bush has laid a solid foundation for success, if North Korea rises to the occasion:

We have built a solid multilateral coalition. We are pursuing a positive, but realistic, diplomatic path. Together with our partners, we are offering North Korea a clear choice about its future and a clear way out of its present predicament.

Now, North Korea must step up. It must learn from its unhappy legacy and make the right choice, for its people, for their future, and for all Koreans. The United States has always stood by the Korean people. Indeed, we support the aspirations of all Koreans for the peaceful reunification of their country.

We stand ready, whichever path North Korea chooses. And as we stand shoulder-to-shoulder with our allies and partners, we look forward to the promise of a transformed relationship in a Northeast Asia living amid peace and shared prosperity. But first, we must look to North Korea to choose wisely and act promptly.

Peter, thank you again for the opportunity to meet with this distinguished group.

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