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## CONTENTS

- Assessing Engagement: Why America's Incentive Strategy  
toward North Korea "Worked" and Could Work  
Again *William J. Long* ..... 1
- Economic Sanctions by Japan against North Korea: Consideration  
of the Legislation Process for FEFTCL (February 2004)  
and LSMCIPESS (June 2004) *Satoru Miyamoto* ..... 21
- North Korea: A 'Dwarf' WMD State *Ajey Lele* ..... 47
- Securing the Periphery: China-North Korea Security  
Relations *Srikanth Kondapalli* ..... 70
- Economic Contacts between the DPRK and the Russian  
Far East: 1992-2005 *Larisa V. Zabrovskaya* ..... 95
- The Foundation of the MAC and the NNSC and  
the First Turbulent Years *Gabriel Jonsson* ... 112

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# *Assessing Engagement: Why America's Incentive Strategy toward North Korea "Worked" and Could Work Again*

*William J. Long\**

## **Abstract**

This paper will explain what economic incentives are, how they work as a policy instrument, when they work, and the scope and limits of their effectiveness. Armed with a realistic understanding of incentives, we are then in a position to accurately assess the incentive strategy of 1994-2002. Drawing the right lesson from this historical period is critical, because, should a future American administration conclude that long-term efforts aimed at encouraging cooperative policies from the North are the only viable alternative, it will need a correct understanding of the previous incentive strategy to fashion a new strategy of engagement. This article concludes with lessons learned from this period that could be used to strengthen the likelihood of success in any future engagement with North Korea.

**Key Words:** economic incentives, North Korea, technology transfer, engagement, statecraft

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\* Miss Rashidah C. Hardwick, graduate student at the Sam Nunn School of International Affairs, provided research assistance for this article.

“It ain’t what you don’t know that gets you into trouble.  
It’s what you know for sure that just ain’t so.”  
—Mark Twain, American humorist and author

## Introduction

As Mark Twain reminds us, it is important to question our received truths. In official Washington, the assertion is made that the US policy of economic incentives vis-à-vis North Korea during 1994-2002 offered in exchange for suspending its nuclear programs was a “failure,” as evidenced by the North’s alleged secret uranium program.<sup>1</sup> This conclusion is incorrect: the incentive strategy worked surprisingly well as will be explained below. The American-led incentive strategy was abandoned by the Bush Administration not because incentives had failed, they had not, but because the goals of American policy had changed. Instead of pursuing long-term cooperation in restraining North Korea’s development of nuclear weapons, American policy changed to seeking confrontation with the North. By 2002, the Bush Administration asserted that North Korea represented a threat to the United States and the region and that regime change caused by internal collapse or foreign military intervention would be the preferred course of events. As the ends of America’s policy changed, so too did the means—from multilateral incentives to unilateral threat, sanction, and opprobrium. The consequences of this policy shift were unfortunate: North Korea evicted international weapons inspectors, restarted the nuclear reactor at Yongbyon, unlocked the containers holding the spent fuel rods and moved them

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<sup>1</sup>For a recent example see the statements of Senator John McCain (R-AZ) in “Test Byproduct: Quick Scramble to Point Fingers,” *The New York Times*, October 11, 2006.

to a reprocessing facility, and, by most estimates, rapidly began building nuclear devices. Washington hectored North Korea, but with no good military alternatives, little international support for sanctions, and limited interest in diplomacy, turned its attention elsewhere, to Iraq.

This paper will explain what economic incentives are, how they work as a policy instrument, when they work, and the scope and limits of their effectiveness. Armed with a realistic understanding of incentives, we are then in a position to accurately assess the incentive strategy of 1994-2002. Drawing the right lesson from this historical period is critical, because, should a future American administration conclude that long-term efforts aimed at encouraging cooperative policies from the North are the only viable alternative, it will need a correct understanding of the previous incentive strategy to fashion a new strategy of engagement. This article concludes with lessons learned from this period that could be used to strengthen the likelihood of success in any future engagement with North Korea.

## **What are Economic Incentives and How and When do they Work?**

Economic incentives—trade, technology transfer, aid, and investment—are a mode of power exercised through the promise or giving of an economic benefit to induce a state to change its political behavior.<sup>2</sup> Although not overtly “coercive,” incentives clearly aim to influence the recipient state’s behavior in the sender’s preferred direction. Incentives contrast with economic sanctions, which aim to force an alteration in the target’s behavior by impeding its welfare.

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<sup>2</sup> See generally, William J. Long, *Economic Incentives and Bilateral Cooperation* (Ann Arbor: University of Michigan Press, 1996).

Incentives are not just weak sanctions, however, they are a distinctive policy instrument that by nature best serve policies that seek medium to long-term cooperation,<sup>3</sup> as will be explained below. Sanctions are better suited for other political purposes: punishment, short-term prevention, or demonstration of resolve.

Incentives encourage cooperation at two levels. First, by shaping the recipient's external payoff environment, they offer an exchange of economic gains from trade, technology transfer, or aid for political concessions.<sup>4</sup> Distinct from sanctions, which are necessarily a "lose-lose" economic proposition, incentives in the form of trade expansion for example, can change the external environment in a way that offers economic benefits to *both* the target and the sender state. Where the recipient's need for the sender's goods is great and the sender has market power in the incentive goods, the potential for external influence is enhanced.

Second, incentives operate *internally* through shaping the preferences of the sender and recipient states in a manner that may enhance the possibilities for cooperation. In the sender state, societal actors such as private firms who stand to gain economically from expanded trade may lend support to the incentive policy over time, thereby improving its legitimacy and endurance. Sanctions, in contrast, invariably cost societal actors in the sender state and create conflict between state and societal economic interests.

Incentives also operate differently than sanctions in the domestic politics of the recipient state. The sanctions literature repeatedly asserts that domestic antidotes generated in the recipient state limit the power of economic sanctions. The two antidotes most

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<sup>3</sup>"Cooperation," in this context, means policy coordination where "actors adjust their behavior to the actual or anticipated preferences of others." Robert Keohane, *After Hegemony* (Princeton, NJ: Princeton University Press, 1984), p. 51.

<sup>4</sup>R. H. Wagner, "Economic Interdependence, Bargaining Power, and Political Influence," *International Organization*, Vol. 42, No. 3, 1988, pp. 461-483.

often cited are the tendency of economic sanctions to (1) unify the target country to an external threat; the so-called “rally-round-the-flag” effect<sup>5</sup> and (2) compel the target country to search for commercial alternatives. Both reactions move the target country away from the preferences of the sender’s desired policy concession, that is, they impede cooperation. Incentives do not produce these antidotes. Because incentives are less overtly coercive instruments and provide tangible material benefit that some recipient actors can appropriate (as well as non-tangible benefits such as recognition or legitimacy), they do not threaten the target state to instinctively provoke rally-round-the-flag reactions, and they find natural allies in the recipient state who reinforce the sender’s message and influence. Likewise (and unlike sanctions), the offer of an economic incentive that will provide new gains from trade, technology transfer, or aid, does not create in the recipient a strong desire to undermine the influence attempt by seeking an alternative supplier, nor does it encourage third-party suppliers to offset the potential influence attempt.

Incentives have greater cooperative potential than sanctions at the level of national decision-making as well. Threats and the possibility of loss often lead decision makers to be insensitive to information critical of their policies, contribute to defensive avoidance of the sender’s message, and aggravate misperceptions or cognitive

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<sup>5</sup>Specifically, the rally-round-the-flag effect has two dimensions. Politically, because sanctions are a threat to harm the target state, its leader can marshal popular support and suppress societal dissent by an appeal to national pride and survival. Economically, a sanction, by raising the domestic price of a sanctioned import, will cause the target government to intervene more extensively in the market to organize trade in that sector as a monopsonist and capture some of the economic rents generated by the sanctions. The target government then can use the difference between domestic and world prices to ration the good as a political resource and to consolidate its ruling coalition by offering access to the sanctioned good to preferred domestic groups in return for political allegiance. D. M. Rowe, *Manipulating the Market Understanding Economic Sanctions, Institutional Change, and the Political Unity of White Rhodesia* (Ann Arbor, MI: University of Michigan Press, 2001).

pathologies in the target. Unlike sanctions punishment or opprobrium that threaten a decision-maker in the recipient state with loss (both tangible economic loss and loss of reputation), incentives are less likely to produce defensive, rigid, or obstinate reactions that impede clear communication and policy adjustment between countries over the long term. Incentives, by highlighting the desired policy adaptation sought in the recipient, rather than singling out the undesired direction in another state's policies, may convey more precise and constructive information than sanctions. Punishments may have value in indicating the sender's displeasure, blocking the actions of the target, or satisfying the sender's desire for justice or revenge, but they are less than ideal for communicating the desire or direction for long-term cooperation and quickly lead to communication gridlock. If long-run cooperation is the goal, incentives communicate more precisely and are less likely to be avoided or misconstrued than sanctions.

In sum, incentives may be the preferred policy instrument if the goal is long-term cooperative influence because they possess some unique cooperation-inducing effects at both the domestic and international level, and they are less costly than military options or economic sanctions. Sanctions serve other goals somewhat better. Sanctions are valuable instruments for indicating a sender's displeasure, blocking a target's actions or increasing its costs in the short term, satisfying the sender's desire for revenge, demonstrating outrage or resolve to foreign audiences, or fulfilling a political or psychological need to "do something" without incurring the cost of military intervention. If cooperation is the aim, however, then incentives may be a more appropriate policy instrument.

Having given a qualified endorsement of incentives as potentially influential, low-cost options for cooperation, one should not overestimate the political concessions or degree of cooperation that can be purchased through economic incentives. Certain political concessions are not for sale and other political concessions that may be for sale carry a price

that is too steep for the sender state. As to outcomes, one should recognize that “success” in obtaining any foreign policy objective is always a matter of degree and a matter of cost relative to other policy options. The relevant consideration for a policymaker or policy analyst is, “How successful are incentives compared with the cost and benefits associated with other available policy options or strategies?”<sup>6</sup> Considered in this light, incentives work reasonably well for some cooperative ends at reasonable cost, but like all policy instruments, have clear limitations.

### **What Conditions are Necessary for, or Contribute to, a Workable Incentive Strategy?**

The necessary conditions for economic incentives include the existence of, or potential for, a bilateral exchange relationship. Further, the relationship must be one in which the sender country has in some way impeded the full recognition of the gains from trade or capital or technology transfer available to the potential recipient (such as embargo, tariff or non-tariff barrier, capital restriction, or other impediment). In addition to the existence of an economic market, the existence of a minimum degree of trust or confidence in the bilateral relationship may also be a necessary condition for the successful use of an economic incentive. Just as an economic market between the parties is necessary, a “political market” for exchange may be necessary, too. In a relationship characterized by an atmosphere of hostility, mistrust, and misunderstanding, ambitious incentives are unlikely to succeed without confidence-building measures.

Other factors contribute to, or detract from, the success of economic incentives. At the level of international exchange, market

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<sup>6</sup>David Baldwin, *Economic Statecraft* (Princeton, NJ: Princeton University Press, 1985).

power is an important condition favoring the success of an incentive. Unlike sanctions, market power is not a strict necessity (any gainful relationship and any governmental policy that affected the distribution of the gains from trade in favor of itself creates a potential avenue for political influence). Nonetheless, more market power in the incentive good creates a larger potential economic benefit that can be exchanged for the desired political concession. The incentive also is more likely to be influential if the recipient state values highly the incentive and the acquisition of the incentive is linked to abiding state interests.

Domestic conditions in the sender and recipient state also affect the likelihood of success that policymakers must consider in weighing the possible use of an incentive strategy. First, incentives, if accepted by the recipient in the sense that the recipient indicates a likelihood of cooperating, *require steady and protracted implementation on the part of the sender*. This feature of incentives is in contrast with sanctions, which require swift and sure implementation when the recipient indicates an intention *not* to adapt its policies in the direction desired by the sender.<sup>7</sup> The “burden of implementation” means that an effective incentive policy will require sustained inter-branch and inter-bureaucratic coordination and follow-through. Second, because incentives create economic gains that can be captured by both parties, policymakers should recognize that incentives are more successful when domestic partners can be identified and mobilized in support of the strategy and when the incentive strategy appeals beyond narrow economic or political interests to more broadly held ideals or aspirations.

Domestic conditions favoring or disfavoring successful operation of incentives in the *recipient* state are also critically important considerations for policymakers. Because incentives create partners in the recipient state who favor executing the incentive policy and will

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<sup>7</sup>Ibid.

exert internal pressure for the desired political adaptation, policymakers should identify and target those groups or individuals for rewards and support.

Finally, because incentives possess superior communication potential relative to sanctions, policymakers should make the most of this function by delivering a clear message of the desired policy adaptation. Sometimes, it may be better to make this demand quite specific and directly reciprocal with the incentive and at other times, the strategy may seek more diffuse reciprocity. Either way, because incentives can give a precise and non-threatening signal of the desired policy adaptation, the sender should be clear and purposeful as to its message.

### **Assessing the Incentive Strategy of 1994-2002: Inauspicious Conditions, Auspicious Results**

How does the American-led incentive strategy of 1994-2002 toward the Democratic Peoples' Republic of Korea (DPRK) stack up when measured against what incentives can reasonably achieve and with an understanding of the necessary and favoring conditions for effective incentives generally? A short answer is that the strategy worked remarkably well despite many factors that impeded its prospects for success.

Recall briefly the origins of the incentive strategy. In 1994, the United States prepared to seek United Nations economic sanctions against North Korea for threatening to defy the international community over its nuclear program. North Korea had threatened to withdraw from the Nuclear Non-Proliferation Treaty and convert the fuel rods at its nuclear reactor at Yongbyon into weapons-grade plutonium. Tensions escalated rapidly as Kim Il Sung declared that sanctions would mean war, prompting US military preparations. The

crisis was averted when former President Jimmy Carter went to Pyongyang and negotiated a freeze in the North's nuclear program. In exchange for the North's suspension of its nuclear program as monitored by the International Atomic Energy Agency (IAEA), the terms of what would quickly become the "Agreed Framework" provided:

- The United States would take the lead in replacing North Korea's graphite-moderated reactors with light water reactor (LWR) power plants to be financed and supplied by an international consortium (later identified as the Korean Peninsula Energy Development Organization or KEDO);
- The United States would provide several shipments of fuel oil for North Korea's energy needs in advance of the reactor construction;
- Both sides would work together to store and then dispose safely spent fuel from a five-megawatt reactor that would avoid reprocessing in North Korea;
- The two sides would move toward full normalization of political and economic relations and the United States would pledge not to invade North Korea or use nuclear weapons against it; and
- Both sides agreed to work together for peace and security on a nuclear-free Korean Peninsula and strengthen the nuclear non-proliferation regime.

Further, upon delivery of the first LWR in 2003, North Korea would permit intrusive inspections of suspected nuclear sites and on receipt of the second LWR, North Korea would ship the spent fuel rods out of the country.

The agreement was remarkable in both its spontaneity and scope. Two nations on the brink of war and with half a century of deep distrust and misunderstanding launched in a few days, and completed in a few months, a sweeping agreement calling for North Korea's to dismantle its nuclear weapons capability in exchange for the reopening of trade and technology transfer, security guarantees, and

political recognition from the United States. The ad hoc nature of the agreement and the lack of any political foundation for it, were not promising, however. The remarkable ambition of America's policy objective added to the likelihood of failure. The United States sought to dismantle nuclear programs that the recipient state saw as important to its national security, survival, and prestige. Notably, the United States offered an incentive package in exchange for adjustment by North Korea in sensitive military and security matters (so-called "high politics") as opposed to seeking cooperation in an area of "low politics," such as economic or technological cooperation. The Agreed Framework was not a case of attempted cooperation in a trivial, secondary, or routine policy arena, this was a high-stakes game.

The subsequent failure of the United States to live up to the "burden of implementation" called for in the Agreed Framework complicated the possibility for success. The American Congress balked at financing the energy shipments, which forced President Clinton to rely on emergency funds, and the LWRs were never funded. The unwillingness of prior governments in South Korea and Japan to provide the necessary financing contributed to the delays in the construction of the LWRs.<sup>8</sup> In the years 1997-1999, the United States was frequently late in the delivery of the heavy fuel it had promised, and the DPRK formally registered complaints over this delay and the lack of progress toward construction of the light water reactors. Equally significant to the DPRK, the United States failed to deliver a formal assurance that it would not attack North Korea or use nuclear weapons in a dispute with it, nor did the United States pursue its offer of diplomatic recognition. Implementation was complicated first by ambivalence within the Clinton policy team over North

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<sup>8</sup> See Leon V. Sigal, "The United States and North Korea: Cooperative Security on the Agreed Framework and Beyond," in *Honey and Vinegar: Incentives, Sanctions, and Foreign Policy*, Richard Haas and Meghan L. O'Sullivan (eds.) (Washington, DC: Brookings Press, 2000), pp. 70-94.

Korean policy (in part because the Agreed Framework was not a treaty, and its obligations remained uncertain under international law),<sup>9</sup> then by the election of a Republican majority in the Congress in 1994 that took a more skeptical view of engagement with the DPRK than the Democratic president, and finally, by the change in the American administration with the election of George W. Bush in 2000.

President Bush began his term by denouncing Kim Il Sung's son and successor, Kim Jong Il, as a "pygmy" and an "evildoer." In a conversation with reporter Bob Woodward, Bush added, "I loathe Kim Jong Il" and declared his preference for "toppling" the North Korean regime.<sup>10</sup> After some debate within the Bush Administration, it became clear that the Bush team would not continue serious negotiations with the DPRK. In late 2001, the *US Nuclear Posture Review* contemplated the prospective use of nuclear weapons in a major Korean contingency and singled out North Korea as part of the "axis of evil" in President Bush's 2002 State of the Union address. President Bush's June 2002 speech at the US Naval Academy and *The National Security Strategy of the United States of America*, released in September 2002, elevated North Korea to one of America's defining national security threats.<sup>11</sup> By October 2002, both the United States and North Korea announced their intention of withdrawing from the Agreed Framework. The United States stated that it withdrew from the agreement because of North Korea's admission that it was engaged in a uranium enrichment program, an activity that violated the terms (or at least the spirit) of the Agreed

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<sup>9</sup>The Agreed Framework was not submitted as a treaty because the Clinton Administration wished to side step a skeptical Senate and avoid the implication of diplomatic recognition of the DPRK implied by a treaty.

<sup>10</sup>Bruce Cummings, "Wrong Again," available on the Internet at [http://www.zmag.org/content/print\\_article.cfm?itemID=4713&sect](http://www.zmag.org/content/print_article.cfm?itemID=4713&sect).

<sup>11</sup>Jonathan D. Pollack, "The United States, North Korea, and the End of the Agreed Framework."

Framework and also violated a 1991 agreement between the Republic of Korea and the DPRK that banned uranium enrichment facilities.<sup>12</sup> The North Koreans, on the other hand, claimed that the United States' decision to suspend oil shipments ended the agreement by renegeing on the only condition of the agreement the United States had continued to uphold. In place of the Agreed Framework, the United States announced a new policy that opposed bilateral negotiations with North Korea until after North Korea verifiably dismantled its nuclear program.

As American policy shifted from economic and political engagement designed to elicit nuclear cooperation from North Korea to a policy of demands for unilateral concessions, the supporting structures for an engagement policy were dismantled or abandoned. The new administration's rhetoric inflamed distrust between the parties and created an insuperable "moral hazard" for any domestic politician or constituency that remained interested in a policy of engagement with North Korea. The Bush Administration was also uninterested in engaging potential allies within the DPRK that might have responded cooperatively to incentives. By 2002, North Korea had initiated a serious effort at economic liberalization that appeared to be gaining traction. These reforms were encouraged largely by the policies of South Korea, which had managed to open a transportation line between North and South Korea and create an industrial zone in the North. The opportunity to engage those internal actors with a stake in North Korea's economic openness or those political pragmatists in the North that favored a nuclear settlement (potential allies in the recipient state interested in economic exchange and

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<sup>12</sup>Regarding the allegation of a secret uranium program and its implications, see, Selig S. Harrison, "Did North Korea Cheat?" *Foreign Affairs*, Vol. 84, No. 2, January/February 2005, pp. 99-110; Jonathan D. Pollack, "The United States, North Korea, and the End of the Agreed Framework," *Naval War College Review*, Vol. 56, No. 3, Summer 2003, pp. 10-49.

political cooperation) was lost when the United States moved to a policy of denial.

In sum, the initial conditions for an effective incentive strategy were not favorable in 1994. Although the economic incentives held great utility for the recipient state, the Clinton Administration did not lay the political groundwork for an ambitious incentive strategy. The parties lacked a minimal level of trust and understanding. The situation was aggravated by the failure of the United States, the sender state, to deliver on its promises and North Korea undermined confidence in its compliance by the uncertainty created by its uranium activities that were first noted by the intelligence community in the late 1990s. Once launched, the sender state did not build a domestic constituency for the incentive strategy nor did it engage potential allies in the recipient state that might have encouraged cooperative adjustment in the recipient's policies. In this respect, the Clinton Administration pursued a policy of benign neglect and the Bush Administration a policy of malign neglect.<sup>13</sup>

Despite its ambitious objectives, unfavorable conditions, and flawed implementation, the incentive strategy was remarkably successful. The Agreed Framework froze Pyongyang's activities at its Yongbyon nuclear complex, including operation of a plutonium reprocessing facility. This cooperative adjustment by North Korea was an important security achievement. Left unconstrained, the reprocessing facility would have allowed North Korea to separate substantial quantities of weapons-grade plutonium from the spent fuel removed from the graphite-moderated reactor. Over the eight-year span of the Agreed Framework Agreement, North Korea would have been able to fabricate significant numbers of nuclear weapons, threaten regional nations, and market weapons-grade

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<sup>13</sup>Peter M. Beck, "The Bush Administration's Failed North Korea Policy," Friends Committee on National Legislation, April 14, 2004. Available on the Internet at [http://www.fcnl.org/issues/item\\_print.php?item\\_id=833&issue\\_id=34](http://www.fcnl.org/issues/item_print.php?item_id=833&issue_id=34).

plutonium to third parties. Although North Korea may have secretly pursued uranium enrichment activities during this period, it remains unclear whether these efforts were directed at creating low-enriched uranium for reactor fuel or the more dangerous highly enriched uranium used in weapons manufacturing. In either case, the time and technical sophistication required to process significant quantities of highly-enriched uranium, ensured that, at worst, the uranium program presented a much more attenuated threat relative to the possibility of reprocessing spent reactor fuel into plutonium devices.

The results of the incentive strategy also can be appreciated by considering the consequences of its abandonment. Within a few months of the collapse of the Agreed Framework, North Korea reinvigorated its suspended nuclear program. The DPRK ordered the IAEA to withdraw its seals and cameras from the DPRK's nuclear facilities, removed or disabled locks on monitoring equipment at the reactor and reprocessing facility, announced its intention of expelling IAEA inspectors, notified the IAEA of its intention to reactivate its fuel reprocessing facility, and quit the NPT. The North announced that it was taking these steps to provide itself with a deterrent force in the face of US threats and the United States' "hostile policy." By mid-year 2003, North Korea claimed to have completed reprocessing of the spent fuel rods for use in bolstering its nuclear deterrent force, and in October 2006, North Korea tested a nuclear device.

### **The Once and Future Incentive Strategy**

Although many things have transpired since time of the Agreed Framework—most notably the attempted North Korea nuclear test—the options open to the United States and its allies for dealing with North Korea have not substantially changed. To quote another great,

if inadvertent, American humorist, Yogi Berra, “This is like *deja vu* all over again.” The military option is no more viable than it was in 1994. A preemptive strike against the North would likely lead to cataclysmic war and could not ensure the full elimination of North Korea’s nuclear facilities. America’s ongoing involvement in Iraq and Afghanistan means that a war on the Korean peninsula is a less viable alternative than it was in 1994, and today it is possible that a primitive North Korean nuclear device could be used in such a confrontation. Economic sanctions, while symbolically important for the Bush Administration and tolerable for many other nations, will not be allowed to strangle North Korea. The humanitarian costs of greater deprivation in the North are more than the North Korea’s neighbors—China, South Korea, and Russia—can abide, and a rapid collapse of the DPRK regime would create consequences greater than they can absorb. And, if the earlier episode has taught us anything, it is that North Korea is not likely to capitulate or collapse in the face of rhetorical demands in the near term.

Now, as then, America’s least-worst option is to engage North Korea diplomatically, economically, and politically, in exchange for security-enhancing nuclear restraint. The real choice is between a policy of regime change or negotiation and engagement. The leverage needed for regime change—multilateral economic sanctions or military confrontation—is unavailable. The only actual and available sources of leverage—recognition, trade, technology transfer, and normalization—are those useful in diplomacy and economic engagement.

If, or when, the United States returns to a strategy of negotiation and economic incentives, it should extract some hopeful and cautionary lessons from the earlier period of engagement with North Korea. On the hopeful side, North Korea still appears willing, indeed anxious, to deal. Like the United States, North Korea has no other good option. As Bruce Cumings explains in a recent article, “For more than a decade, the North Koreans have been trying to get

American officials to understand that genuine give-and-take negotiations on their nuclear program could be successful based on the terms of a ‘package deal’ that they first tabled in 1993.”<sup>14</sup> The outlines of that deal have been clear and consistent: the North provides a verifiable end to its nuclear programs (including its uranium enrichment efforts), an end to testing of nuclear or missile technology, a ban on the transfer of such technology, and, perhaps conventional force reductions and repositioning, and the United States provides a non-aggression pledge, diplomatic normalization, the lifting of economic and technology embargos, and economic incentives.

The earlier period of engagement also cautions against assuming that implementing this agreement over the long term will be easy or trouble free. To improve the political environment and to increase the likelihood of the United States delivering on the burden of implementation, US policymakers must first refrain from demonizing North Korea as an affront to American values, a grievous violator of human rights, and the most dangerous possessor of weapons of mass destruction in the world today. Each of these characterizations may be accurate, but if the goal is long-run denuclearization of North Korea, we need instead to map out a positive direction for North Korean policy adjustment, make our expectations clear and consistent, and reward progress made by the regime along the way. Precisely because the DPRK constitutes the most immediate and destabilizing threat to regional and global security, we must focus on freezing and dismantling the North’s nuclear activities and forego inflammatory rhetoric and moral grandstanding that has proven to be counterproductive in the past. In our rhetoric and in verifiable reality, we must describe North Korea that can be taken seriously and engaged purposefully and then we must demand that North Korea lives up to that (“face-saving”) characterization. In the not too distant past, the United States has

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<sup>14</sup>Bruce Cumings, “Wrong Again.”

similarly engaged its regional partners, South Korea and the PRC, in mutually-rewarding security cooperation despite disputes over human rights.

Second, in addition to changing the tenor of the discussions, the United States and its partners must work to improve the political context for the negotiations and future engagement. Confidence building measures between the United States and North Korea are not unknown and should be pursued. The two countries have cooperated with some success on missing-in-action servicemen, famine relief, and technical assistance programs.<sup>15</sup> Non-governmental organizations have kept a lifeline open to North Korea and South Korea and other regional powers have avenues that might be developed to improve habits of cooperation with North Korea.

Third, to improve the staying power of the policy, the United States' executive must affirmatively develop a modicum of inter-branch and inter-party support for an extended, tough, but patient policy of engagement with North Korea. Despite the challenge of gaining consensus in a foreign policy community that is highly partisan and short-term in its thinking, achieving a consensus is not impossible. US leadership has designed, articulated, and sustained long-term policies of enlightened self-interest, for example the policy of engagement with China begun under President Nixon and carried out by several succeeding administrations, or even the policy of containment during the Cold War. Perhaps the situation on the Korean Peninsula has reached a level of seriousness such that opportunism and expediency will give way to a consensual long-term strategy. One can hope.

Fourth, the United States and its allies and friends must seek and then nurture economic and political reformist elements

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<sup>15</sup> See Mark E. Manyin, "US Assistance to North Korea," *CRS Report to Congress*, April 26, 2005.

within North Korea that have a real or potential stake in economic exchange and a reduction in political tension with the United States. North Korea's hardliners have been vindicated by the policy of estrangement and the rhetoric of regime change. Nothing serves a dictator better than a threat, real or imagined, to its nation's security. North Korean "moderates" must have something to show for their nuclear restraint. The opacity and ideological extremism of the North Korean regime will make this effort particularly challenging, but the need to engage an internal North Korean constituency for a policy of engagement and denuclearization is essential.

Finally, in moving forward on a policy of engagement, the United States and its allies should not abandon the threat or use of sanctions for non-compliance. Every incentive policy creates the possibility of threatened or actual denial. Sanctions, however, become more meaningful when the recipient state, its various factions, and its population have a stake in the health of its relationship with the sender state.

## **Conclusion**

The use of history by policymakers is problematic not so much because history is ignored or forgotten but because policymakers draw the wrong lessons from history or apply the appropriate lesson uncritically. In the case of the incentive strategy of 1994-2002, we must avoid the false conclusion that incentives and engagement failed. We must also avoid the facile conclusion that a policy of engagement is easy or certain. A critical examination of the earlier incentive strategy counsels some optimism that even this dangerous and difficult issue might be addressed effectively through a policy of engagement. The prior effort was haphazard and poorly implemented, however, and any future incentive strategy should seek to strengthen the conditions for

success both in the international environment and within the sender and recipient states. It is essential to draw the correct and cautious lesson from the earlier policy of engagement because any future strategy dealing with North Korea will present enough difficulties without the added burden of believing what just “ain’t so.”

*Economic Sanctions by Japan against  
North Korea: Consideration of the  
Legislation Process for FEFTCL  
(February 2004) and LSMCIPESS  
(June 2004)*

*Satoru Miyamoto*

**Abstract**

The Japanese government hardly imposed economic sanctions against North Korea when they launched a missile in August 1998. However, when North Korea launched missiles again in July 2006, the Japanese government began to impose strong economic sanctions because the Foreign Exchange and Foreign Trade Control Law (FEFTCL) and the Law for Special Measures Concerning Interdiction of Ports Entry by Specific Ships (LSMCIPESS) had been revised or enacted newly in 2004. It took six years since the suggestion of revising or enacting these two laws in 1998 to consummating them. Moreover, they are not cabinet-initiated legislation but lawmaker-initiated legislation. This paper explores the reasons why it took six years until the Diet members passed the bill given the relations between Japan and the United States, the relations between Japan and North Korea, and the relations between the Diet and the Cabinet in Japan.

**Key Words:** economic sanctions, the Foreign Exchange and Foreign Trade Control Law, the Law for Special Measures Concerning Interdiction of Ports Entry by Specific Ships, Japan-North Korea relations, the Diet and the Cabinet relations

## Introduction

In the immediate aftermath of the launch of seven missiles by the Democratic People's Republic of Korea (DPRK) on July 5, 2006, the Japanese government decided to impose economic sanctions that eventually prohibited port entry to the North Korean ship *Man Gyong Bong 92*. This ship was a significant link between the two countries, connecting Wonsan in North Korea and Niigata in Japan. The twelve-item response of Japan, announced by then Chief Cabinet Secretary Shinzo Abe, included a halt to visits by *Man Gyong Bong 92* to Japan as well as denying entry to North Korean government officials. It also denied landing permission for any charter flight from North Korea. It is important to note that Japan was the first country to announce sanctions against North Korea, eleven days before the United Nations sanctions banning all member states from any transactions with North Korea involving the transfer of material, technology or financial resources connected to the DPRK's missile or weapons of mass destruction programs.

After about two months, the Japanese government imposed economic sanctions against North Korea again. The Cabinet Council on September 19 froze deposit withdrawal and overseas remittances licenses for 15 bilateral groups and one individual due to their alleged involvement in the development of weapons of mass destruction in North Korea.

On October 13, in response to Pyongyang's detonation of nuclear devices, Japan's Cabinet Council came out with a new set of sanctions, which prohibited port entry by all North Korean ships and imports of all items from North Korea. It is interesting to note that Japanese sanctions over North Korea followed one after the other after the DPRK launched its missiles. Notably, there has been a significant

change in Tokyo's responses towards North Korea, especially since 1998. Tokyo responded with very few economic measures against North Korea after Pyongyang launched a missile on August 31, 1998, mainly temporarily freezing funding to the Korean Peninsula Energy Development Organization (KEDO). The latest tests conducted by Pyongyang, however, have prompted Tokyo to impose strong economic measures.

The main reason behind the change in Tokyo's approach is the introduction of a new sanctions act by the Japanese government. Under the new act, sanctions against North Korea are authorized by the Foreign Exchange and Foreign Trade Control Law (FEFTCL) and the Law for Special Measures Concerning Interdiction of Ports Entry by Specific Ships (LSMCIPESS). Economic sanctions such as the freezing of bank accounts and overseas remittances as well as sanctions on the import of goods are authorized by FEFTCL. Other embargoes such as a ban on port entry by vessels are authorized by LSMCIPESS. These laws, which were revised or newly enacted in 2004, allowed the Japanese government to impose economic sanctions against North Korea independently, without the need for support or cooperation from the UN or the United States.

There are few research studies about the revision or enactment processes for FEFTCL and LSMCIPESS. Enacted laws and their legislative backgrounds are explained in '*Toki no Hourei*,' a journal focusing on new laws in Japan.<sup>1</sup> According to some observations in the journal, the revision/enactment of FEFTCL and LSMCIPESS was typical lawmaker-initiated legislation. FEFTCL and LSMCIPESS were bills instituted by both ruling and opposition party members, and

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<sup>1</sup> See Kyoko Mori's research on FEFTCL, "Our country is able to impose economic sanctions against another country independently," *Toki no Hourei*, No. 1711 (April 2004), pp. 6-14; Rie Kurihara's research on LSMCIPESS, "The embargo of specific ships from the view of security," *Toki no Hourei*, No. 1731 (February 2005), pp. 6-14.

passed in the Diet easily.

However, some members of the Diet were of the opinion that economic sanctions could already be imposed against North Korea under these laws from 1998. Why did it take them six years to pass the bill in the Diet? This is a current issue relating to the ability of Japan to impose economic sanctions of a level demanded by the US vis-à-vis North Korea's nuclear test, because the Japanese government has to pass economic sanction laws promptly if the US demands high-level sanctions. Therefore, in this paper, to clarify the sanctions policies of Japan against North Korea, I will address the amendment and enactment processes for FEFTCL and LSMCIPESS. First, I will try to analyze the process by which Diet members passed two laws for economic sanctions after 1998, and next try to clarify the perspective of Japan's sanctions policy against North Korea. As diplomatic documents are not publicly available, I would like to use Diet records papers and press reports as materials; all Diet records in Japan are available to the public. In addition, I will refer to interviews by press reporters of Diet members connected with the legislation and to the Diet members' own diaries open to the public on the Internet.

## **About FEFTCL and LSMCIPESS**

FEFTCL and LSMCIPESS are the two great pillars of economic sanctions laws in Japan. Both allow Japan to impose economic sanctions against another country independently, without need for sanctions resolutions by the UN or cooperation by other countries.<sup>2</sup>

FEFTCL is a fundamental law governing foreign trade in Japan

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<sup>2</sup> See the following research done in Japan on the effects and purposes of economic sanctions, Makio Miyagawa, *Do Economic Sanctions Work?* (Great Britain: Antony Rowe Ltd, Chippenham, Wiltshire, 1992) and Yasunobu Okabe, "The Effectiveness of Economic Sanctions: The US Embargo against Cuba," *Gaimusho Chosa Geppo*, No. 4 (March 1994).

enacted in 1949. At that time, because Japan faced a serious shortage of foreign currency under the Bretton Woods Agreement due to the pegged exchange rate system that made the dollar the key international currency, the law included provisions that severely limited foreign trade. The Bretton Woods Agreement no longer functioned after the “Nixon shock,” when the US declared it would stop exchanging gold for dollars in 1971. The Smithsonian Agreement that revised exchange rates between the dollar and other currencies also collapsed in 1973. Countries moved to a floating exchange rate system. Therefore, the Japanese government made foreign trade free in principle by a revision of FEFTCL in 1980, and almost completely liberalized foreign trade by a further revision in 1998. At the same time, the economic sanctions measures were enacted. To impose economic sanctions, the preconditions are that “the Japanese government acknowledges that they need to fulfill in good faith treaties and other international promises concluded with Japan” or “the Japanese government acknowledges that Japan needs to contribute to international efforts for world peace.” However, the preconditions for FEFTCL were revised to include “the Japanese government specifically acknowledges the need to maintain peace and safety in Japan” in 2004. Thus, for “the maintenance of peace and safety in Japan,” the law was revised so that Japan might impose economic sanctions independently even without the cooperation of the US or the UN.

LSMCIPESS is a new law enacted in 2004. It states that “to maintain peace and safety in Japan, given the international situation surrounding Japan in recent years, the Japanese government may prohibit port entry by specific ships” (Article 1). As well as FEFTCL, this law enables Japan to impose economic sanctions independently for “the maintenance of peace and safety in Japan,” even without the cooperation of the US or the UN.

Until these two laws were approved, the Japanese government

was not able to independently impose economic sanctions on another country. These two laws allowed Japan to impose economic sanctions against North Korea when they launched missiles. However, these laws were only approved two years ago. There have been concerns in Japan about North Korea's nuclear weapons and missiles since the 1990s. In particular, when North Korea launched missiles in 1998, Japan faced a major crisis. There was a significant time lag from start of this crisis to the enactment of these two laws. Below I will consider the approval process for these laws since 1998.

### **From Appeasement to a Hard-line Policy**

After North Korea declared its secession from the NPT on March 12, 1993, the Japanese government and political parties were reluctant to support economic sanctions against North Korea, including the Liberal Democratic Party (LDP), the government party. At the 126<sup>th</sup> Diet House of Representatives Foreign Affairs Committee meeting on April 23, 1993, Foreign Minister Kabun Muto of the LDP noted, "I think that as a diplomatic policy it is not good to make one state isolated when other states cooperate internationally. So I think we should avoid rapidly punishing anything at anytime as much as possible."<sup>3</sup> This stance was representative of the opinions of the Diet and the government in Japan.

However, the Japanese government made a policy shift from appeasement to a hard-line policy because North Korea on August 31, 1998 launched what appeared to be a Taepodong, a ballistic missile developed in North Korea. Awareness of a crisis involving the protection of the country rose greatly in Japan after it was confirmed that a missile had passed through Japanese airspace and fallen into the

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<sup>3</sup>"The 126<sup>th</sup> Diet the House of Representatives Foreign Affairs Committee Proceedings No. 5 (April 23, 1993)," p. 5.

Pacific Ocean. Japan has not been attacked since 1945. Moreover, very few Japanese have any sense of crisis about defense due to the US military presence in Japan. This was the first time in about 50 years that Japanese had felt concern about the defense of the country.

The ruling LDP decided to examine countermeasures against North Korea in a party executive liaison meeting on September 1, 1998. Opinions of dissatisfaction and anger against North Korea were loudly voiced within the LDP. Even Muto, who was opposed to sanctions against North Korea when North Korea declared its secession from the NPT in 1993, strongly asserted, “We should make it clear that we cannot cooperate with KEDO and provide food aid for North Korea.”<sup>4</sup>

Hiromu Nonaka, Chief Cabinet Secretary, announced the “Government Policy in Response to the Launch of a Missile by the Democratic People’s Republic of Korea (North Korea)” on September 1. The policy included stern protests against North Korea and postponed normalization talks, food shipments and other aid, and funds to KEDO.<sup>5</sup> Additionally the Japanese government canceled permission for the operation of charter flights between North Korea and Japan on September 2.<sup>6</sup> The Japanese government had clearly begun to make a policy shift from appeasement to a hard-line policy.

In protest at North Korea’s actions and to prevent a recurrence, the “Resolution to Protest against the Ballistic Missile Launch by North Korea” was adopted in the House of Councilors on September 3. In this vote, every member of the House of Councilors in both the ruling and opposition parties agreed with the resolution criticizing the behavior of North Korea. In the Diet discussion before voting, very few people offered opinions opposed to the measures against North

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<sup>4</sup> *Yomiuri Shimbun* (Tokyo), evening edition, September 1, 1998.

<sup>5</sup> “Full text of government action policy against ‘North Korea launching the missile’,” *Yomiuri Shimbun* (Tokyo), morning edition, September 2, 1998.

<sup>6</sup> *Asahi Shimbun*, morning edition, September 3, 1998.

Korea that the Obuchi Administration of the LDP, which had replaced the Hashimoto Administration, had adopted. Only Den of the SDP opposed all measures. Hiroshi Takano of New Komeito (NK) expressed disapproval in postponing the KEDO support and Shinji Koizumi in the Japanese Communist Party (JCP) opposed the introduction of ballistic missile defense systems.<sup>7</sup>

Some in the LDP demanded a stop to remittances to North Korea. Chief Cabinet Secretary Nonaka expressed a negative view on September 2.<sup>8</sup> It is thought his view was based on problems of interpretation of FEFTCL. Norihisa Tamura, a LDP Diet member, said, “I think that a halt to remittances might be an economic sanction that can be taken by Japan. However, I have heard that it is impossible to stop remittances at once under the requirements of FEFTCL, etc., and there are arguments about the need for revisions to laws, too” in the meeting of the House of Representatives Committee on National Security held on September 10.<sup>9</sup> The LDP had already decided to examine revision of the FEFTCL in the diplomatic study committee meeting on September 7.<sup>10</sup> The problem of revising the FEFTCL surfaced when looking for a way to punish North Korea.

In addition, views in favor of limiting port entry by ships linked to North Korea emerged because “there is something wrong with doing nothing about ships while limiting the operation of aircraft.”<sup>11</sup> However, on September 4, Jiro Kawasaki, Minister of Transport (presently Minister of Finance), offered the view that the national government had no authority to limit port entry by ships because (1)

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<sup>7</sup>“The 143<sup>th</sup> Diet the House of Councilors Proceedings No. 6 (September 3, 1998),” *Official gazette*, extras, pp. 1-16.

<sup>8</sup> *Sankei Shimbun*, morning edition, September 2, 1998.

<sup>9</sup>“The 143<sup>th</sup> Diet the House of Representatives Committee on National Security Proceedings No. 3 (September 10, 1998),” p. 6.

<sup>10</sup> *Yomiuri Shimbun* (Tokyo), morning edition, September 8, 1998.

<sup>11</sup> *Sankei Shimbun*, morning edition, September 3, 1998.

port entry is covered not by a license system but rather by a notification system, and (2) the authority to permit port entry and to manage port facilities lays with the heads of local governments.<sup>12</sup> It was necessary to make new laws or to amend laws to limit port entry by ships in order to punish North Korea.

However, beyond the legal issues, it was very difficult for Japan to punish North Korea because of the US policy toward North Korea. The US government was careful in punishing North Korea. Kurt Campbell, Acting US Assistant Secretary of Defense, had already visited the Japanese prime minister's office and requested that Japan exercise care in responding to North Korea.<sup>13</sup>

The difference of opinions between the US and Japan widened further. North Korea announced on September 4 that they had launched a space satellite and the US Department of State agreed on September 14 to make an announcement on North Korea.<sup>14</sup> However, Chief Cabinet Secretary Nonaka on September 16 expressed his disagreement, saying that the Japanese government continued to hold the view that North Korea's action posed a threat to the security of Japan.<sup>15</sup> Prime Minister Obuchi repeated his view that it was a missile that had been launched. The Japan administration did not yet officially acknowledge that North Korea had put up a space satellite.

Secretary of State Madeleine Albright revealed her plans to ask Japan to lift its moratorium on funding to KEDO at an early stage in the Security Consultative Committee meeting held on September 22. In opposition to this, Foreign Minister Masahiko Takamura objected and said, "If we respond just as we do when North Korea doesn't launch a missile, we would be sending the wrong message to North

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<sup>12</sup> *Sankei Shimbun*, morning edition, September 8, 1998.

<sup>13</sup> *Yomiuri Shimbun* (Tokyo), morning edition, September 4, 1998.

<sup>14</sup> *Mainichi Newspapers*, morning edition, September 16, 1998.

<sup>15</sup> *Sankei Shimbun*, evening edition, September 16, 1998.

Korea.”

However, Takamura noted that “KEDO is the best device for preventing nuclear weapons development in North Korea. I am not saying that we will refuse to donate capital forever.”<sup>16</sup> It was difficult to resist the pressure by the US. On October 21, the Japanese government announced that it would unfreeze funding for KEDO. The Japanese government did not obtain an apology from North Korea that the people of Japan had requested, but did continue to postpone food aid and stop the operation of charter flights. Nevertheless, the Japanese government had no alternative but give up on punishing North Korea further.

### **Amendment of FEFTCL**

For imposing economic sanctions by FEFTCL, the necessary preconditions included “the Japanese government acknowledges that there is a need to fulfill treaties and other international promises that Japan has concluded in good faith” and “the Japanese government acknowledges the need especially to allow Japan to contribute to an international effort for world peace.” In stopping remittances to punish North Korea for its Taepodong launch through Japanese airspace, these preconditions were an encumbrance. Haruhiko Kuroda, Director-general of the Finance Ministry’s International Finance Bureau, said “we need international partnership as a basis for imposing economic sanctions such as a halt on remittances” in the meeting of the House of Representatives Committee on National Security held on September 10.<sup>17</sup> There was no legal means of imposing economic sanctions against North Korea independently in

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<sup>16</sup> *Yomiuri Shimbun* (Tokyo), morning edition, September 21, 1998.

<sup>17</sup> “The 143<sup>th</sup> Diet the House of Representatives Committee on National Security Proceedings No. 3 (September 10, 1998),” p. 6.

Japan. However, it was difficult to obtain the cooperation of the US and other countries that continued to appease North Korea. Therefore, support grew in the Diet for the view that the FEFTCL should be revised so that the Japanese government could impose economic sanctions against North Korea independently.

There were two key reasons for trying to revise the FEFTCL. The first was to ensure strict regulation of exports in view of the possibility that Japanese products could be converted for use in weapons by North Korea, and the second is to stop remittances to North Korea in view of the possibility that capital sent from Japan to North Korea could be used for the development of weapons in North Korea.

Kiyoshi Ueda of the Democratic Party of Japan (DPJ) worried about the possibility that exported parts made in Japan could be used in North Korean missiles, in response to the comment by Kozo Oikawa, Head of the Defense Agency Equipment Bureau, that export trade control was managed under the FEFTCL license system, said “I insist that you check on illegal exports by consolidating the powers of competent authorities, and that you devise mechanisms immediately to prevent illegal exports” in the House of Representatives the Administration of Closing of Accounts Surveillance Commission on September 29, 1998.<sup>18</sup> In the meeting of the House of Representatives Committee on National Security held on March 3, 1999, after pointing out the possibility that capital sent from Japan to North Korea could be used for developing weapons of mass destruction, Yoshihide Sakaue of the LDP remarked, “I think that we should revise and strengthen the FEFTCL for the security of Japan” in preparation for the next missile launch. Members of both opposition parties and ruling parties called for amendment of the FEFTCL.<sup>19</sup>

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<sup>18</sup>“The 143<sup>th</sup> Diet the House of Representatives the Administration of Closing of Accounts Surveillance Commission Proceedings No. 2 (September 29, 1998),” p. 2.

Some expressed disapproval with the idea of economic sanctions by the FEFTCL. In answer to Sakaue, who insisted on amendment of the FEFTCL, Masaki Oomura, Advocate General of the International Balance Section, International Bureau, Ministry of Finance, said “with regard to whether we should enable sanctions in a way that is far apart from the framework of international coordination, I think that we are limited by the purpose of the legislation because the basis of the FEFTCL is free foreign trade, in line with the principle that we can only coordinate rules to the minimum degree necessary” and expressed disapproval of economic sanctions via the FEFTCL.<sup>20</sup> According to Ichita Yamamoto, a LDP member of the House of Councilors and a key figure who passed revised FEFTCL and LSMCIPESS, the Finance Ministry was dissatisfied with the idea of revision of the FEFTCL.<sup>21</sup>

The “Council to Consider Strategic Diplomacy against North Korea” made up of Diet members from the LDP and DPJ and formed in February 1999 mainly promoted the amendment of the FEFTCL. Among the members were Shigeru Ishiba, Chairman of the Council and a LDP member of the House of Representatives, Shinzo Abe, a LDP member of the House of Representatives and later Prime Minister, Yamamoto, a LDP member of the House of Councilors, and Keiichiro Asao, a DPJ member of the House of Councilors. They convened on August 10, arranging to submit and pass a legislative bill on the amendment of the FEFTCL in the next Diet.<sup>22</sup> However, on this very same day, North Korea released a government statement on

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<sup>19</sup>“The 145<sup>th</sup> Diet the House of Representatives Committee on National Security Proceedings No. 3 (March 3, 1999),” p. 2.

<sup>20</sup>Ibid.

<sup>21</sup>“Take a hike! (May 10, 2003),” Ichita Yamamoto’s ‘Feelings are always the straight descent’ (blog by Ichita Yamamoto), <http://blog.so-net.ne.jp/ichita/archive/200305>.

<sup>22</sup>*Yomiuri Shimbun* (Tokyo), morning edition, August 11, 1999.

its policy toward Japan.<sup>23</sup> The Ministry of Foreign Affairs was dissatisfied with the content of the statement. However, they paid attention to the fact that North Korea had made the announcement in the anomalistic format of a government statement. This gave rise in Japan to a more flexible attitude toward North Korea.<sup>24</sup> A political party delegation headed by former Prime Minister Tomiichi Murayama visited North Korea from December 1-3, 1999 and announced a joint communiqué with the Workers' Party delegation that improved Japan-North Korea relations.<sup>25</sup>

The cabinet, intent on leaving open a channel for talks with North Korea, became passive to amendment of the FEFTCL. In the meeting of the House of Councilors Budget Committee on December 9, 1999, on the revision of the FEFTCL being examined because North Korea might use commercial products made in Japan for weapons, Minister of International Trade and Industry Takeshi Fukaya said "it's actually difficult under the FEFTCL to regulate general commercial items, products not regulated in foreign countries and products that can be bought in foreign countries. At the same time, new legislation on the points where it is ineffectual is very difficult now."<sup>26</sup> Thus, moves to amend the FEFTCL stopped.

Another reason cited to strengthen export trade controls was to prevent Japanese products being used for weapons in North Korea. After the September 11, 2001 attacks in the US, the Ministry of Economy, Trade and Industry put in place "catch-all controls" on September 23 without revising the FEFTCL that required export license applications even in the case of general-purpose goods when there existed the possibility that they could be used for weapons of

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<sup>23</sup> *Rodong Daily News*, August 11, 1999.

<sup>24</sup> *Yomiuri Shimbun* (Tokyo), morning edition, August 30, 1999.

<sup>25</sup> *Mainichi Newspapers*, evening edition, December 3, 1999.

<sup>26</sup> "The 146<sup>th</sup> Diet the House of Councilors Budget Committee Proceedings No. 5 (December 9, 1999)," p. 12.

mass destruction.<sup>27</sup> The scheme to prevent products made in Japan from being used for weapons in North Korea was enacted. However, a stop on remittances as sanctions was impossible. A bill that revised part of the FEFTCL was passed in the House of Representatives on April 11, 2002.<sup>28</sup> This was for the ratification of the “International Convention for the Suppression of the Financing of Terrorism” in the UN, making it obligatory for financial institutions to retain personal identification on clients, and was unrelated to sanctions.

The reason that an opinion in favor of revising the foreign exchange and foreign trade control law grew again was the Japan-DPRK Summit at which the kidnapping of Japanese citizens became clear. Prime Minister Junichiro Koizumi of the LDP visited North Korea on September 17, 2002, and a Japan-DPRK Summit was held at which was announced the Japan-DPRK Pyongyang Declaration. It turned out that North Korea had kidnapped a large number of Japanese citizens, and that many of them had already died. Moreover, North Korea hesitated at permitting a complete homecoming of even the Japanese citizens who had survived. Calls for compensations from North Korea and anger against North Korea erupted throughout Japan.

The reason for seeking to revise the FEFTCL when North Korea launched the Taepodong missile in 1998 was to prevent illegal exports and illegal remittances. However, support for the revision of the FEFTCL as a diplomatic card to play against North Korea was prompted by the kidnapping of Japanese citizens. Asao, a DPJ member of the House of Councilors, suggested at the meeting of the House of Councilors Committee on Health, Welfare and Labor on

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<sup>27</sup> *Sankei Shimbun*, morning edition, September 24, 2001.

<sup>28</sup> “The 154<sup>th</sup> the Diet the House of Representatives Association Proceedings No. 23 (1) (April 11, 2002),” *Official gazette*, extras, pp. 3-4; *Mainichi Newspapers*, evening edition, March 12, 2002.

December 3, 2002 that the government should have the authority to stop remittances to North Korea by amendment of the FEFTCL as a card to play against North Korea.<sup>29</sup> After the FEFTCL was revised, Yamamoto, a LDP member who promoted amendment of the FEFTCL, said “a card making it possible to impose economic sanctions in case of necessity is very significant in terms of pressure and deterrence.”<sup>30</sup> The purpose of revising the FEFTCL after the Japan-DPRK Summit was more to have a diplomatic card to play against North Korea than to achieve any substantial effect through economic sanctions.

In addition, sanctions against North Korea gained further support due to worsening relations between the US and North Korea. When North Korea decided to expel IAEA inspectors on December 28, Secretary of State Colin L. Powell announced the next day the “enclosure policy” of the Bush Administration, including inspections of transport to North Korea. With this change in the international situation, the LDP decided on December 29 to adopt a policy of revising the FEFTCL to impose economic sanctions such as a ban on remittances on North Korea independently.<sup>31</sup> The “Council to Consider Diplomatic Cards against North Korea” was formed in December 2002 by Yamamoto and five other young LDP lawmakers, and compiled an amendment to the FEFTCL on January 28, 2003.<sup>32</sup> Members of the Diet thus began to push again for amendment of the FEFTCL.

However, it was the Cabinet that stopped these moves by Diet Members. The original bill for the amendment of the FEFTCL had been shelved for too long. The Cabinet was not in favor of economic

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<sup>29</sup>“The 155<sup>th</sup> Diet the House of Councilors on Health, Committee Welfare and Labor Proceedings (December 3, 2002),” p. 4.

<sup>30</sup>*Sankei Shimbun*, morning edition, January 30, 2004.

<sup>31</sup>*Yomiuri Shimbun* (Tokyo), morning edition, December 30, 2002.

<sup>32</sup>*Mainichi Newspapers*, morning edition, January 29, 2003.

sanctions. In the meeting of the House of Representatives Foreign Affairs Committee on May 9, 2003, Foreign Minister Junko Kawaguchi said “economic sanctions are not the best method for producing the desired effects.”<sup>33</sup> In the meeting of the House of Representatives Select Committee on Actions in the Event of an Armed Attack on May 14, 2003, Prime Minister Koizumi said “I don’t necessarily think that economic sanctions are appropriate now.”<sup>34</sup> A LDP departmental meeting was held on May 16, and members consulted on the original bill for the amendment of the FEFTCL. However, one after the other LDP members demanded changes to the contents of the bill. Therefore the LDP put off acknowledgment of the contents of the bill.<sup>35</sup>

The reason for the Koizumi Administration having no choice but to connive at amendment of the FEFTCL was competition with the opposition party of the DPJ and concerted action with the US. In the Japan-US Summit Talks held on May 23, 2003, Prime Minister Koizumi and President Bush agreed on a plan to take stronger measures against North Korea, should the situation worsen.<sup>36</sup> Therefore, the LDP modified a part of the bill to amend the FEFTCL and acknowledged this in the combination of departmental meeting on June 4.<sup>37</sup> Nevertheless, submission of the bill to the Diet was still delayed because of the essentially cautious opinion of the government. The DPJ instituted a bill to amend the FEFTCL as a manifesto on October 31.<sup>38</sup> To oppose the DPJ, the LDP chose to

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<sup>33</sup>“The 156<sup>th</sup> Diet the House of Representatives Foreign Affairs Committee Proceedings No. 8 (May 9, 2003),” p. 13.

<sup>34</sup>“The 156<sup>th</sup> Diet the House of Representatives Select Committee on Actions in the Event of an Armed Attack Proceedings No. 10 (May 14, 2003),” p. 5.

<sup>35</sup>*Mainichi Newspapers*, morning edition, May 16, 2003.

<sup>36</sup>*Mainichi Newspapers*, morning edition, May 24, 2003.

<sup>37</sup>*Mainichi Newspapers*, morning edition, June 5, 2003.

<sup>38</sup>*Sankei Shimbun*, morning edition, November 1, 2003.

submit a bill to amend the FEFTCL to the Diet on November 21.<sup>39</sup> Prime Minister Koizumi said “I think it’s a good idea to have various alternatives when appealing to North Korea by both dialogue and pressure” and allowed the bill to amend the FEFTCL go to the House of Representatives Budget Committee on November 25.<sup>40</sup>

On December 17, NK in coalition with the LDP also sought to submit a bill to amend the FEFTCL to the Diet.<sup>41</sup> Thus, the bill to revise the FEFTCL was passed in the House of Representatives as a joint proposal by the LDP, DRJ and NK on January 29, 2004,<sup>42</sup> and was passed by the Upper House on February 9.<sup>43</sup> Only the JCP opposed the bill. The revised FEFTCL was promulgated on February 16, and came into force on February 26.

## **Enactment of LSMCIPESS**

Support for limiting port entry by North Korean ships and other transactions through economic sanctions surfaced in Japan because of the launching of a Taepodong missile by North Korea in August 1998. The reason for limiting port entry by ships was the same as with the FEFTCL to prevent illegal exports and illegal remittances, and thus keep Japanese products and capital from being used for weapons development in North Korea. However, the embargo of North Korean ships as part of sanctions against North Korea proved an empty threat because there were no laws to achieve it in Japan and because

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<sup>39</sup> *Mainichi Newspapers*, morning edition, November 22, 2003.

<sup>40</sup> “The 158<sup>th</sup> Diet the House of Representatives Budget Committee Proceedings No. 1 (November 25, 2003),” p. 5.

<sup>41</sup> *Mainichi Newspapers*, morning edition, December 18, 2003.

<sup>42</sup> “The 159<sup>th</sup> Diet the House of Representatives Proceedings No. 5 (January 29, 2004),” *Official gazette*, extras, pp. 1-8.

<sup>43</sup> “The 159<sup>th</sup> Diet the House of Councilors Proceedings No. 5 (February 9, 2004),” *Official gazette*, extras, pp. 1-24.

policy differences between the US and Japan over North Korea were substantial.

However, suspicions about illegal exports and illegal remittances by North Korea through ship traffic remained. In the House of Representatives Committee on National Security on March 3, 1999, Yoshihide Sakaue, a LDP member of the House of Representatives, questioned the authorities concerning the true state of illegal exports and illegal remittances using the *Man Gyong Bong* 92.<sup>44</sup> These suspicions have gradually grown in Japan. The major cause are bankruptcies of Chogin Credit Associations belonging to the Association of Credit Unions for Korean Residents in Japan, which has close ties to the General Association of Korean Residents in Japan (GAKRJ), a group of North Korean residents in Japan. The problem began with the bankruptcy of Chogin Osaka Credit Association on May 14, 1997. The business of the Chogin Osaka Credit Association was transferred to Chogin Kinki Credit Association on May 11, 1998. The Japanese government provided a bail-out of 310.2 billion yen in public funds. Thirteen Chogin Credit Associations went bankrupt in May 1999. The Japanese government provided public funds of 312.9 billion yen for the three Chogin Credit Associations in November 2001, and supplied a further 736.3 billion yen in public funds to Chogin Credit Associations in December 2001 and August 2002. Allegations surfaced that remittances of deposits to North Korea were the cause for the bankruptcies of the Chogin Credit Associations.

In connection with the decline of Chogin Credit Associations, Yuriko Koike, a LDP member of the House of Representatives in the meeting of the House of Representatives Committee on Finance on July 6, 1999,<sup>45</sup> asked the parties concerned about the *Man Gyong*

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<sup>44</sup>Op.cit., “The 145<sup>th</sup> Diet,” p. 3.

<sup>45</sup>“The 145<sup>th</sup> Diet the House of Representatives Committee on Finance Proceedings No. 16 (July 6, 1999),” p. 9.

*Bong 92*, pointing out the ship that busily carries goods and cash to North Korea with people arrive at the port in Niigata: “Do you actually check it in the customhouse?” Seiji Maehara, a DPJ member of the House of Representatives, also pointed out the looseness of the system for investigations in the meeting of the House of Representatives Land, Infrastructure and Transportation Committee on January 10, 2002,<sup>46</sup> saying “cash that GAKRJ has collected from the Chogin Credit Association is not only allocated for GAKRJ’s operating expenses but is also remitted to North Korea aboard the *Man Gyong Bong*.” Both DPJ and LDP members thought that GAKRJ had made illegal remittances to North Korea by ship.

Additionally, some argued that the Japanese government should use the embargo of the *Man Gyong Bong 92* as a sanction against North Korea for kidnapping Japanese citizens. Jin Matsubara, a DPJ member of the House of Representatives, insisted in the meeting of the House of Representatives Foreign Affairs Committee on April 5, 2002 on imposing economic sanctions against North Korea by embargoing its ships, and said “I think prohibiting port entry to the *Man Gyong Bong 92* and other ships would demonstrate a decisive attitude as a sanction.”<sup>47</sup> The number of people who agreed with this opinion increased further when the kidnapping of Japanese citizens became clear at the Japan-DPRK Summit on September 17, 2002.

When Powell announced the “enclosure policy” on December 29, the Ministry of Foreign Affairs began to examine revisions to the Port and Harbor Law limiting port entry by the *Man Gyong Bong*, strongly suspected of providing a loophole for illegal remittances,<sup>48</sup>

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<sup>46</sup>“The 153<sup>th</sup> Diet the House of Representatives Land, Infrastructure and Transportation Committee Proceedings No. 5 (January 10, 2002),” pp. 14-15.

<sup>47</sup>“The 154<sup>th</sup> Diet the House of Representatives Foreign Affairs Committee Proceedings No. 7 (1) (April 5, 2002),” p. 6.

<sup>48</sup>*Sankei Shimbun*, morning edition, December 21, 2002.

in seeking to cooperate with the US. The “Council to Consider Diplomatic Cards against North Korea” decided on January 29, 2003 on a policy of aiming for the enactment of a new law establishing powers to reject port entry by ships.<sup>49</sup> Initially, they considered regulating port entry by revising the Port and Harbor Law, but they determined that revision was difficult within the framework of that law and decided to enact a new law. They summarized their ideas on the new law on February 7.<sup>50</sup>

It took a good deal of time to prepare the bill for LSMCIPESS because the LDP did not even acknowledge the bill to revise the FEFTCL. They announced the outline of a bill prohibiting port entry by specific foreign ships on December 27, 2003. The associated session of the LDP acknowledged the outline of the bill on January 29, 2004. Afterwards, they modified the bill. They modified the bill to delete the clause that limited the embargo period against the ships (six months) to strengthen the authority of the government on February 13, instead of inserting a clause requiring post facto approval by the Diet. They planned to complete the procedures within the LDP by the end of February and to consult with NK and the DPJ on submitting the bill as a joint proposal in March.<sup>51</sup> The LDP Chief Secretary Abe announced that it would be submitted to the Diet at once in the conference on February 16.<sup>52</sup>

However, the LDP was faced with opposition from NK. Takenori Kanzaki, Chief Representative of NK, said that they would judge the legislation by the reaction of North Korea.<sup>53</sup> NK was not in favor of the legislation. NK finally showed a willingness to allow the bill to be submitted to the Diet on March 1.<sup>54</sup> Therefore, the LDP

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<sup>49</sup> *Yomiuri Shimbun* (Tokyo), morning edition, January 30, 2003.

<sup>50</sup> *Yomiuri Shimbun* (Tokyo), morning edition, February 8, 2003.

<sup>51</sup> *Yomiuri Shimbun* (Tokyo), morning edition, February 14, 2004.

<sup>52</sup> *Mainichi Newspapers*, morning edition, February 17, 2004.

<sup>53</sup> *Yomiuri Shimbun* (Tokyo), morning edition, February 17, 2004.

decided on a policy of submitting the bill with NK to the Diet.<sup>55</sup> However, NK did not agree with the contents of the bill prepared by the LDP. The LDP and NK consulted on the contents of the bill on March 10. However, they did not reach an agreement on the requirements for the imposition of sanctions.<sup>56</sup> NK finally accepted the contents of the bill in consultation with the LDP on March 17.<sup>57</sup>

The differences of opinion regarding the bill between the DRJ and LDP were greater than those between NK and the LDP. The DPJ “Project Team for North Korea Issue (chairman: House of Representatives member Masaharu Nakagawa)” prepared its own bill. The LDP bill targeted interdiction of ships making port calls to specific foreign countries or registered in specific foreign countries. On the other hand, the DPJ bill focused interdiction efforts on specific ships and aircraft. In addition, the DPJ included a clause revoking the law if it became no longer necessary, a provision that was not in the LDP bill.<sup>58</sup> The DPJ had decided to submit their own bill to the Diet alone on March 16 while the LDP and NK ironed out their differences of opinion.<sup>59</sup> The DPJ brought a measure to the Diet on March 31.<sup>60</sup> The LDP and NK also submitted their bill to the Diet on April 6.<sup>61</sup> The LDP, NK, and DPJ began to coordinate the contents of the bills in the Diet.

It was not Diet members but the Cabinet that was the most opposed to enacting the bill. Prime Minister Koizumi was especially opposed to economic sanctions against North Korea. When Yoshio

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<sup>54</sup> *Mainichi Newspapers*, evening edition, March 1, 2004.

<sup>55</sup> *Sankei Shimbun*, morning edition, March 2, 2004.

<sup>56</sup> *Sankei Shimbun*, morning edition, March 11, 2004.

<sup>57</sup> *Mainichi Newspapers*, morning edition, March 18, 2004.

<sup>58</sup> *Asahi Shimbun*, morning edition, March 30, 2004.

<sup>59</sup> *Yomiuri Shimbun* (Tokyo), morning edition, March 17, 2004.

<sup>60</sup> *Sankei Shimbun*, morning edition, April 1, 2004.

<sup>61</sup> *Mainichi Newspapers*, morning edition, April 7, 2004.

Urushibara, a NK member of the House of Representatives, demanded that he show a willingness to impose sanctions against North Korea under the FEFTCL, Koizumi rejected this in the meeting of the House of Representatives Budget Committee on March 3, 2004. Urushibara criticized Koizumi, saying that “the current diplomacy of the Japanese government stresses dialogue with North Korea too much!”<sup>62</sup>

Koizumi visited Pyongyang again on May 22, 2004. Kim Jong Il,<sup>63</sup> General Secretary of the Workers’ Party in North Korea, promised, “I will observe the Japan-DPRK Pyongyang Declaration,” including an extension of the moratorium on missile launch tests. Koizumi then promised, “I will not impose economic sanctions as long as you abide by the Pyongyang Declaration.”<sup>64</sup> The promises exchanged between Koizumi and Kim Jong Il made it impossible for the Japanese government to impose economic sanctions as long as the DPRK government did not violate the Pyongyang Declaration.

The Association of the Families of Victims Kidnapped by North Korea began criticizing Koizumi because he was not able to resolve the problem of the kidnapping of Japanese citizens. Eight people from among families of Japanese abductees that the North Korean government would not begin repatriating chose to return to North Korea. This is quite an understandable move by the victims. Koizumi was not able to confirm the fate of the remaining Japanese abductees but did achieve the return of Charles R. Jenkins, a deserter from the US military and the husband of one of the Japanese abductees (he and their daughters came to Japan on July 18, 2004, and now live in Japan).

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<sup>62</sup> “The 159<sup>th</sup> Diet the House of Representatives Budget Committee Proceedings No. 18 (March 3, 2004),” p. 7.

<sup>63</sup> I spelled the name of people in the first-name-given order in this paper. But the exception is Kim Jong Il, because the given-name-first order is common about him.

<sup>64</sup> *Asahi Shimbun*, morning edition, May 23, 2004.

A DPJ member of the House of Representatives, Yukio Hatoyama, questioned Koizumi in the House of Representatives plenary session on May 25, 2004: “Please answer clearly... whether you would impose economic sanctions against North Korea if North Korea does not resolve the problem of the kidnapping of Japanese citizens. If it is impossible for you to make progress toward resolving the kidnapping of Japanese citizens, I would declare that we in the Diet are determined to demand stronger responses from the government.” Koizumi answered, “I have no intention of imposing economic sanctions against North Korea for the kidnapping of Japanese citizens at present.”<sup>65</sup> Koizumi was strongly opposed to economic sanctions.

Members of the Diet united across political parties against Koizumi. The LDP, NK, and DPJ agreed on the contents of amendments to the LSMCIPESS bill on the day that Koizumi opposed economic sanctions. The LDP conceded to the DPJ the clause enabling the law to be revoked. However, the clause that the DPJ had requested that included aircraft as targets of interdiction was deleted.<sup>66</sup> LSMCIPESS was passed in the House of Representatives plenary session on June 3,<sup>67</sup> and was passed in the Upper House Plenary Meeting on June 14.<sup>68</sup> LSMCIPESS was promulgated on June 18, and came into force on June 28.

However, the Koizumi Administration did not in the end impose economic sanctions against North Korea to resolve the kidnapping of Japanese citizens. It was only after North Korea launched missiles and

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<sup>65</sup> “The 159<sup>th</sup> Diet the House of Representatives Proceedings No. 35 (May 25, 2004),” *Official gazette*, extras, pp. 7-9.

<sup>66</sup> *Sankei Shimbun*, morning edition, May 26, 2004.

<sup>67</sup> “The 159<sup>th</sup> Diet the House of Representatives Proceedings No. 37 (June 3, 2004),” *Official gazette*, extras, pp. 4-5.

<sup>68</sup> “The 159<sup>th</sup> Diet the House of Councilors Proceedings No. 30 (1) (June 14, 2004),” *Official gazette*, extras, p. 1.

violated the Pyongyang Declaration clearly that it imposed economic sanctions against North Korea. From this viewpoint we may say that the differences of opinion on economic sanctions against North Korea between the Cabinet and the Diet continued until North Korea itself violated the Pyongyang Declaration.

### **Perspectives on Japan's Economic Sanctions against North Korea**

North Korea's launch of a Taepodong missile in August 1998 prompted Japan to impose economic sanctions against North Korea independently. Politicians in Japan then came up with the idea of imposing economic sanctions against North Korea via FEFTCL and LSMCIPESS. We cannot confirm whether Diet members investigated or considered the actual effects of economic sanctions because of the lack of documentary material. However, we can determine that the purpose in the beginning was to make it difficult for North Korea to develop weapons of mass destruction by stopping funds and Japanese products bound for North Korea. The clarification of the kidnapping of Japanese citizens shifted the purpose of economic sanctions to that of a diplomatic card against North Korea. From this perspective, we may say that, in passing the revised FEFTCL and LSMCIPESS, Diet members sought more to put pressure on North Korea than to achieve actual effects through sanctions. In addition, it took a considerable amount of time to pass the revised FEFTCL and LSMCIPESS.

There were two reasons for this. First was the US policy regarding North Korea. The US had continued an appeasement policy toward North Korea and had showed its opposition to Japan imposing economic sanctions against North Korea. Moreover, the US demanded that Japan release the funding to KEDO that it had frozen. Therefore, the Japanese government gave up on imposing economic sanctions

against North Korea.

Second was that the Cabinet, intent on leaving open a channel for talks with North Korea, opposed economic sanctions. It was young lawmakers such as Yamamoto and Abe that tried to pass the revised FEFTCL and the LSMCIPESS. They actually formed two groups of Diet members called the “Council to Consider Strategic Diplomacy against North Korea” and the “Council to Consider Diplomatic Cards against North Korea” respectively to begin preparing bills for revising FEFTCL and LSMCIPESS. However, these efforts made no progress at all in the face of opposition from the Cabinet.

However, two incidents helped Diet lawmakers to pass revisions to FEFTCL and LSMCIPESS. The clarification of the kidnapping of Japanese citizens in the Japan-DPRK Summit in 2002 tilted public opinions in Japan in favor of economic sanctions against North Korea. The opinions of many lawmakers converged in passing the revised FEFTCL and the LSMCIPESS, whether they were from the largest opposition party DPJ or the government parties LDP and NK. This overwhelmed the opposition of the Cabinet.

Second is that the US had begun to adopt a hard-line policy against North Korea. The Koizumi Cabinet, which emphasized relations with the US, did not have any intent of imposing sanctions against North Korea actually, but had no choice but to connive at the passage of the bills.

The Koizumi Cabinet trod warily until the last minute in approving the bills and declared that they would not impose economic sanctions against North Korea as long as North Korea did not violate the Japan-DPRK Pyongyang Declaration. Indeed, it was only after North Korea had launched missiles and clearly violated the Pyongyang Declaration that Japan imposed economic sanctions against North Korea. Moreover, because the Koizumi Administration was coming to an end, Chief Secretary Abe, who had worked to prepare the bills, actually took charge of the sanctions.

The present Prime Minister is not Koizumi, who resisted passage of the bills, but Abe, who had encouraged passage. From this viewpoint we may say that the present cabinet hardly has any differences of opinion with the Diet on imposing economic sanctions against North Korea. In addition, because public opinions in Japan after the launching of missiles and the nuclear tests by North Korea also strongly demanded economic sanctions against North Korea, the ruling and opposition parties have almost identical policies on imposing economic sanctions against North Korea. Moreover, the present US government is as positive as the Japan government to the idea of imposing economic sanctions against North Korea. It could be said that there are now few of the encumbrances that made passing the economic sanction laws initially so difficult.

Therefore, conditions for passing economic sanctions laws against North Korea are clearly ripe in contemporary Japan. This means that it is certainly possible that the Japanese government will respond by passing new laws when the US and the UN demand that even greater economic sanctions be imposed against North Korea. They may institute sanction plans not corresponding to the present laws in Japan, such as ship inspections in reaction to nuclear tests by North Korea. However, we can safely state that the Japanese government is able to meet demands for economic sanctions plans by passing the new laws. It also allows Japan to take joint actions with the UN and the US. If Japan cannot undertake joint actions with either the UN or the US, Japan will be left behind in the international community. It is no exaggeration to say that the fate of Japan's present economic sanctions against North Korea depends on the policies, not of North Korea, South Korea, and China, but of the UN and in particular, the US.

## *North Korea: A 'Dwarf' WMD State*

*Ajey Lele*

### **Abstract**

North Korea proved its nuclear capabilities to the entire world on October 9, 2006. Along with nuclear weapons, North Korea has also acquired other types of weapons of mass destruction (WMD). The North Korean acquisition of WMDs stems not from an indifference to deterrence, but rather a keenly developed understanding of the uses of deterrence. In the years to come, North Korea is going to use these weapons as bargaining tools with increasing vigor because of their success (albeit limited) in the nuclear arena. This article argues that North Korea may overcome the limitations of its nuclear capabilities by investing more in other forms of WMDs, mainly chemical and biological weapons and there is a need to take a fresh look at these threats.

**Key Words:** nuclear, biological, chemical, North Korea, disarmament

In August 2006, the reclassification of the solar system took place at Prague during the International Astronomical Union (IAU) conference. This conference took one of the most important landmark decisions by downgrading the status of Pluto to that of a “dwarf planet.” Now, officially only eight planets exist in our solar system.

The same analogy could be extended to the current nuclear regime too, where besides the major players, there is also one which has pretensions to being a nuclear power.

We have only eight 'recognized' nuclear weapon states (the original five who incidentally are also the permanent members of United Nations Security Council and India, Pakistan, and Israel<sup>1</sup> till date). North Korea carried out a nuclear test on October 9, 2006. However, as per the technical assessments, North Koreans must have exploded half a kiloton device - compared to the more than 12 kilotons used for the Hiroshima bomb. In fact, a few assess this test as a partial failure.<sup>2</sup> Moreover, all the other nuclear states are major powers to reckon with and have developed comparably powerful economies probably with the sole exception of Pakistan. North Korea has acquired nuclear weapons for the same reason that the other states retain theirs—deterrence against perceived external threats, regime security, and to exploit the enhanced power and influence that comes with being a nuclear power. However, in all likelihood, North Korea will be unable to really exploit the 'power and influence' aspect because it lacks all the other essential elements—a functioning and stable economy, an ability to meaningfully engage with the international community, including something worthwhile to offer the international system.<sup>3</sup> Under these circumstances, North Korea could only be referred to as a "dwarf nuclear power."

Following the recent nuclear test, it is predicted that even if North Korea works steadily to advance its nuclear weapons

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<sup>1</sup>Israeli Prime Minister Ehud Olmert has broken with Israel's decades-old tradition of "strategic ambiguity" about its nuclear weapons and had indirectly accepted its presence with Israel while giving an interview with a German TV station on December 11, 2006.

<sup>2</sup>Federation of American Scientists suggested that the first test had been a partial failure.

<sup>3</sup>Harsh V. Pant, *What Have Nukes Got To Do With It?* Oct 18, 2006, <http://outlookindia.com/full.asp?fodname=20061018&fname=harshpant&sid=1&pn=2>.

production capabilities and transform them from products of scientific research into armaments with military significance it could reach a stage when it could produce 30 nuclear weapons.<sup>4</sup> This quantity still could be much less than the projected strength of relatively new entrants in the nuclear club namely India and Pakistan.<sup>5</sup> Additionally, it needs to be taken into account that this half-kiloton explosion was the product of an effort spanning a half-century or more.<sup>6</sup> This is indirectly indicative of the status of technology and ‘raw material’ available with them for the production of nuclear weapons.

Nevertheless, North Korea has found strength in its ‘dwarfness’ too. Today, the world just cannot ignore this degree of brazenness. It is rapidly becoming clear that this “dwarf nuclear power” is fast gaining a degree of regime security that cannot be disregarded. There could be various reasons for this. First, it may be a dwarf but it is still a nuclear capable state. Second, military intervention by the US is almost impossible because particularly after the *Iraq fiasco*, the US is unlikely to invade any other country in the near future. Additionally, a military action may start an all-out war in the region. Third, the efficacy of sanctions is debatable. This is because universally it has been observed that any sanctions regime has limited utility. Already, North Korea has been under a sanctions regime for many years but instead of buckling under the pressure and agreeing to follow the global order it has dared to go nuclear. Fourth, allies of North Korea like China and Russia are unsure of their position. This nuclear bravado has hurt China the most. On one hand it has brought upon it

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<sup>4</sup>Zhang Liangui, “Coping with a Nuclear North Korea,” *China Security*, Autumn 2006, p. 17; “North Korea’s Nuclear Weapons Program,” *Congressional Research Service Issue Brief* (IB91161), <http://www.fas.org/sgp/crs/nuke/IB91141.pdf>.

<sup>5</sup>As per Carnegie Endowment India and Pakistan are capable of producing around 100 weapons.

<sup>6</sup>Michael Hirsh, et al., “We are a Nuclear Power,” *Newsweek*, October 23, 2006, p. 24.

international embarrassment and, on the other, the country is worried about the influx of refugees to its own country if any change in status quo in the region takes place. Fifth, North Korea is unlikely to give up its nuclear capabilities through a route of any political negotiations and the world may be forced to live with nuclear North Korea in the years to come.

It appears that even the supporters of North Korea were not totally convinced about the country's capabilities. This became evident when shortly before North Korea announced in April 2003 that it possessed a nuclear arsenal, Russian Atomic Energy Minister Alexander Rumyantsev had stated, "It will take Pyongyang another 50 years to develop its own nuclear weapons."<sup>7</sup> However, North Koreans proved everybody wrong. It is likely that incorrect decisions were made over the Korean Peninsula crisis for many years because limited data was available to various policymakers or because policymakers rushed to hasty conclusions.<sup>8</sup>

The North Korean acquisition of weapons of mass destruction (WMD) stems not from an indifference to deterrence, but rather a keenly developed understanding of the uses of deterrence.<sup>9</sup> Now, with North Korea overtly going nuclear, it becomes essential to critically analyze its investments in other arenas of WMD too. This article examines the North Korean missile program and its investments in the arena of the least discussed WMD threats, namely, chemical and biological weapons (CB weapons).

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<sup>7</sup> Mikhail Pogorely, "Prospects For Russian-US Cooperation in Preventing WMD Proliferation," 2004, p. 83.

<sup>8</sup> Konstantin Asmolov, "North Korea: Stalinism, Stagnation, or Creeping Reform?" *Far Eastern Affairs*, Vol. 33, No. 3, 2005, p. 22.

<sup>9</sup> <http://www.fas.org/nuke/guide/dprk/doctrine/index.html>.

## CB Weapons

North Korea went for nuclear weapons presumably because of the psychological effect these weapons carry and the ‘power stature’ they have achieved over the years in international geopolitics because of their visible and devastating power. Yet, in reality, biological and chemical weapons may be just as dangerous, especially when used against civilians in heavily populated areas. In this regard, the psychological impact even surpasses the combat effect of these weapons. Tiny quantities of anthrax, many times less than that used in a single warhead, almost paralyzed the US in the autumn of 2001 and caused serious psychological trauma to thousands of Americans.

It goes without saying that chemical agents are much easier to produce or acquire than nuclear devices and weapons. It is believed that 16 countries today have access to chemical weapons know-how. The attractiveness these weapons hold for states and terrorists far exceeds the attention they receive both in the disarmament process and in attempts to prevent proliferation of the technologies and production base.<sup>10</sup>

North Korea fully understands the limitations of international laws to protect against the global threat of proliferation. It has exploited the situation and has made substantial investments towards developing its chemical and biological arsenal.

North Korea has operated an extensive chemical weapons programme for many years and is also involved in developing biological weapons. Unfortunately, in recent times, the country’s nuclear adventurism has gained so much prominence that an important account on its chemical and biological weapons ambitions has been found missing from the recent global strategic discourses on

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<sup>10</sup>Mikhail Pogorely, “Prospects For Russian-US Cooperation in Preventing WMD Proliferation,” *The Journal of Slavic Military Studies*, Vol. VII, No. 1, March 2004, p. 85.

its WMD ambitions.

The most interesting aspect of the North Korean nuclear test had been its blatant acceptance of its nuclear ambitions. The country first informed the world that it has nuclear weapons and then declared its intention to test them and finally it kept its boast by testing one on October 9, 2006. Recent history indicates that the global community had taken all these claims very seriously. However, North Korea conceding that it possessed bio-weapons has not caused any turmoil within the strategic community. The North Korean Vice Foreign Minister, Kang Sok Ju, had declared a year back to Japanese sources, "Other than nuclear, we also have many other things. We also have bio-weapons."<sup>11</sup> It may be because there have been no bi-chemical equivalents to Hiroshima or Nagasaki that global opinion doesn't seem to take these weapons as seriously.

North Korea has a long history of investment in the arena of biological weapons. It has reportedly pursued biological warfare capabilities since the 1960s, and continued research with possible production of anthrax, plague, yellow fever, typhoid, cholera, tuberculosis, typhus, smallpox, and botulinum toxin. Recent admissions of possessing biological weapons make it evident that for the last forty years, it has been pursuing an active biological weapons program. A Russian source has also revealed that North Korea is performing applied military biological research in many universities, medical institutes, and specialized research institutes. Work is being conducted in these centers with inducers of malignant anthrax, cholera, bubonic plague, and smallpox. Additionally, it has been mentioned that North Korea tests its biological weapons on its own island territories.<sup>12</sup> The North Korean chemical weapon arsenal

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<sup>11</sup>"N. Korea Admitted to US It Has Bio-Weapons, too," <http://www.rense.com/general31/nk.htm>, and [http://www.sspconline.org/article\\_details.asp?artid=art27](http://www.sspconline.org/article_details.asp?artid=art27).

<sup>12</sup>Bruce Bennett, "*Weapons of Mass Destruction: The North Korean Threat*," *Korean Journal of Defense Analysis*, Vol. XIV, No. 2, Fall 2004, pp. 84-85.

probably includes mustard gas, hydrogen cyanide, cyanogen chloride, phosgene, sarin, soman, tabun, and VX. North Korea is not a party to the CWC but has acceded to the BWC.<sup>13</sup>

The existing chemical weapon capabilities of North Korea are symptomatic of its doctrinal considerations for usage of such weapons. Learning from the Soviet military doctrine, North Korea has traditionally viewed chemical weapons as an integral part of its military offensive capabilities. There are no signs suggesting that this view has altered since the end of the Cold War. The most obvious tactical use of chemical weapons by North Korea could be to terrorize South Korean civilians. Seoul lies within easy striking distance of North Korea's artillery and rocket systems and, today, the South Korean civilian population has no protection against chemical weapons attack.<sup>14</sup> North Korea is said to have conducted lethal gas experiments on political prisoners in the 1970s, which reportedly continued till as recently as 2002.<sup>15</sup> These accounts were given by a few of the scientists involved in these experiments who subsequently moved to South Korea. They claim that during these experiments, prisoners were placed in glass chambers and exposed to chemicals that killed them within hours.<sup>16</sup> This also gives an indication of North Korea's will to use such type of weapons. One of the highest-ranking North Korean government officials to defect to the South, Hwang Jang Yop, had said in April 1997 that the North Korean military was capable of turning Seoul into a "sea of fire" by using a combination of chemical and nuclear weapons delivered by missiles.<sup>17</sup>

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<sup>13</sup>For a detailed description "Chemical and Biological Weapons: Possession and Programs Past and Present," <http://cns.miis.edu/research/cbw/possess.htm>.

<sup>14</sup>North Korea Advisory Group, Report to the Speaker, US House of Representatives, November 1999.

<sup>15</sup>*The Hindu*, New Delhi, November 25, 2004.

<sup>16</sup>Jeremy Kirk, "N. Koreans detail deadly experiments on prisoners," *The Washington Times*, November 24, 2004.

<sup>17</sup>[http://www.nti.org/e\\_research/profiles/NK/index\\_1549.html](http://www.nti.org/e_research/profiles/NK/index_1549.html).

It is likely that chemical weapons could even be used against the civilian population. Finally, because much of the North's success relies on preventing US assets in the region coming to the aid of the South, especially those forces deployed in Okinawa and Guam, Okinawa could be targeted by Rodong I, Rodong II and Taepodong missiles, possibly armed with chemical warheads, while Guam could be reached by Taepodongs.

The role of biological warfare agents in North Korean military planning is, however, not clear. While a number of delivery systems mentioned above could be employed to use biological agents against South Korean and US forces, it is not known what validated weapons systems are currently in the North Korean arsenal. As part of an overall offensive, northern infiltrators into the South could conduct sabotage operations using germ agents; North Korean specialized units could also carry out biological assaults. Whether by sophisticated aerosolized agents (anthrax) or crude contamination of food or beverages, such operations may be set in motion if the North decides to conduct full-scale military operations against South Korea.<sup>18</sup> Moreover, it is predicted by some analysts, based on the simulated chemical warfare exercise pictures available from North Korea (conducted during 1999), that aircraft-mounted sprayers, used for delivering deadly chemicals on the target, could also be used as delivery platforms for the biological weapons too.<sup>19</sup>

It has also been reported that North Korea could possibly use "toxic industrial chemicals (TIC)," easily obtained by any nation, as a military weapon, and it would be impossible to detect such weaponry with the existing military equipment. According to Bruce Bennett of

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<sup>18</sup> Amy Sands, "Deconstructing the Chem-Bio Threat," Testimony at the Senate Foreign Relations Committee, March 19, 2002, <http://cns.miiis.edu/pubs/reports/asands.htm>.

<sup>19</sup> Nicholas J. Beeching, "Biological warfare and bio-terrorism," <http://bmj.bmjournals.com/cgi/content/full/324/7333/336?ck=nck>.

the US RAND research center, “TIC chemicals such as chlorine, phosgene, and ammonia can be used for chemical weaponry, and these chemicals are not detectable by the military’s chemical-biological-radiological (CBR) equipment. Additionally, gas masks or protective clothing will not be able to protect soldiers.”<sup>20</sup>

North Korea’s chemical weapons arsenal is expected to be built around a doctrinal thought that it should remain prepared to quickly produce the ‘weapons’ when the need arises. Eight different facilities in North Korea have produced lethal chemicals, such as nerve gas, blister, blood, vomiting agents, as well as tear gas and are stored at different facilities. Their quantity is estimated to be somewhere between 2,500 to 5,000 tons. North Korea is capable of producing an additional five thousand tons each year during peace time or 12,000 tons per year during war. As per some estimates, 1,000 tons of these agents would be sufficient to kill 40 million people. Even after assuming that these estimates are on the higher side, the threat of a substantial nature (capable of killing at least few millions of people),<sup>21</sup> nevertheless, remains.

A possibility exists that since CB weapons are most usable and useful in guerrilla warfare, North Korea may pursue this option by employing its 80,000-strong Special Operations Forces against South Korea. They could create a state of pandemonium especially in metropolitan cities and their large population with these weapons. These are all the more usable since, unlike nuclear weapons and missiles, CB weapons are easy for a small military unit to carry, hide, and use in the course of a local war. In the final analysis, it is highly likely that CB weapons would be the last type of WMD that North Korea would give up unless its leadership has confidence that it can

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<sup>20</sup> Bruce Bennett, op.cit, p. 96.

<sup>21</sup> Ibid, p. 82 and Robert D. Kaplan, “When North Korea Falls,” *The Atomic Monthly*, October 2006, p. 65.

offset its conventional inferiority vis-à-vis the South by refurbishing its armed forces with a modern conventional arsenal.<sup>22</sup>

## Missile Program

Missiles have both military utility and deterrence value. Having a missile is more about the possession of a particular capability. Missile technology is an integral part of any WMD setup. Over the years, North Korea has wisely invested in missile technology for its potential as the most useful delivery system for its WMD arsenal. It understands that such a potential has a great value both at the exterior of war as well as within it.

It is estimated that North Korea can produce about 100 missiles a year. Since the mid 1970s, North Korea has pursued the development of ballistic missiles with increasing range, which it had deployed with its armed forces. By the mid 1980s, it had deployed short-range Hwasong V/VI missiles, capable of reaching targets throughout South Korea. The production rate of these missiles is believed to be seven to nine a month. In fact, North Korea began to make ballistic missiles around 1981, with copies of Russian scuds purchased originally from Egypt. These became operational as the Hwasong V in 1984. By the mid 1990s, it had deployed Rodong missiles, capable of reaching all of Japan. The size and disposition of North Korea's Hwasong and Rodong missile forces are uncertain, but probably include a few hundred deployed missiles, with additional missiles in reserve. As per some estimates, the current holdings with North Koreans are to the tune of 900-1,000 Hwasong V/VI and Rodong I (improved scud) and more than 100 medium-range Taepodong I /Rodong II ballistic missiles, deployed in underground silos or hidden

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<sup>22</sup>Kyoung-Soo Kim, "North Korea's CB Weapons: Threat and Capability," *Korean Journal of Defense Analysis*, Vol. XIV, No. 1, Spring 2002, pp. 94-95.

in caves.<sup>23</sup>

If considered necessary, North Korea can expand the size of its missile forces. Pyongyang probably views these forces as both military and political assets. Militarily, the missiles can serve the function of long-range artillery, seeking to disrupt enemy communications and logistics in rear areas and interdicting reinforcements. To some degree, the military effectiveness of North Korea's missile forces would be reduced by poor accuracy, limited survivability, and missile defences, but could make a significant contribution to overall military operations, especially in the early stages of a conflict. As a political tool, North Korea's missiles give it more ability to threaten cities in South Korea and Japan with conventional or unconventional warheads. It is not known whether unconventional warheads have been deployed, but the possibility contributes to deterrence and intimidation. In addition to their perceived political and military utility for North Korean defense, the sale of missile and missile technology has been an important incentive for North Korean missile development and production.<sup>24</sup>

On July 5, 2006 North Korea conducted one of its largest ballistic missile exercises till date. A total of seven systems were launched over a 14-hour period. These included one Taepodong II (which failed) and six shorter-range 'scud' and Rodong missiles. Prior to this exercise, the largest previous one, which involved the launch of three 'scud B/Cs' and one Rodong, took place in May 1993.

North Koreans provided no prior notice of this exercise to international air or maritime traffic control, although apparently they warned their own fishing fleets. The tests, conducted primarily at

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<sup>23</sup> Richard M. Bennett, "Missiles and madness," <http://www.atimes.com/atimes/Korea/HH18Dg02.html>; R. Ramachandran, "Missile matters," *Frontline*, November 3, 2006, p. 14.

<sup>24</sup> North Korea's Weapons Programs A Net Assessment, *An IISS Strategic Dossier*, 2004, pp. 82-83.

night, would have both restricted foreign intelligence-gathering capabilities and achieved some element of surprise.

One of the major features of this exercise was the launch of the Taepodong II intermediate range/intercontinental range (IRBM/ICBM) ballistic missile. This test ended Pyongyang's self-imposed September 1999 moratorium on testing long-range missiles and could herald a full-scale resumption of its missile development program.

There are conflicting reports available about the success of this test. Some claim that following a successful lift-off, there was a catastrophic failure of its first stage that resulted in the destruction of the system. The possible areas of failure are identified as guidance, structure or engines. As such, North Koreans had considerable problems with the engines in the past, as indicated by the April 2004 catastrophic failure of a Taepodong II engine test.<sup>25</sup> However, some other reports claim that, despite media speculation that the flight was aborted after just 42 seconds, it now seems likely that it flew for seven minutes and was a significant technical success. It is also expected that within the next couple of years, development of the Taepodong II/RodongIII intercontinental ballistic missiles will be completed and North Korea will gain a genuine strategic deterrent with a range of at least 8,000 km, though some observers have suggested as much as 12,000 km.<sup>26</sup> Some analysts are of the opinion that North Korea's current investments in the missile arena are likely to succeed because they are essentially working on Russian decommissioned R-27 systems which is a proven design. This implies that North Korea may be able to develop and deploy its missiles without having to conduct extensive ground and flight tests. This new missile is known as Taepodong X and has a range of 2,500-4,000 km (not yet been tested) and about 50 of them may have already been

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<sup>25</sup> *Jane's Defence Weekly*, July 12, 2006.

<sup>26</sup> Richard M. Bennett, *op.cit.*

deployed.<sup>27</sup>

To prove its prowess in the arena of tactical ballistic missiles North Korea conducted tests during May 2005 and March 2006 of KN-2, a new solid fueled missile based on the Soviet SS-21 Scarab with an improved range of 100-120 km intended specifically to strike US military installations in South Korea. Probably over 100 of these may have been already deployed. The North Korean missile program caters for chemical and perhaps even for biological warheads.<sup>28</sup>

## Space Technologies

The space program of any country is generally perceived as an offshoot of its missile program. Space issues and missile technology are intricately related. However, most of the policy analysts treat them as separate domains. Sometimes it is prudent to do so particularly when the country's space programs cover a wider spectrum of issues. However, in case of North Korea, its space program has got a very limited scope and is mainly focused on enhancing the capabilities of medium-range missile fire. Hence, it could be argued that North Korea's space program is indirectly relevant to its WMD capabilities.

On September 4, 1998, the Korean Central News Agency broadcast a report claiming the successful launch of the first North Korean artificial satellite, Kwangmyongsong I (Brightstar I). This very small satellite was launched into the orbit on August 31, 1998. One stage of the North Korean rocket fell in the Sea of Japan and the second stage fell into the Pacific Ocean to Japan's west.

The initial reports by Russian military space forces about the

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<sup>27</sup> Steven A. Hildreth, "North Korean Ballistic Missile Threat to the United States," *CRS report for Congress*, updated as of September 20, 2006, [www.fas.org/sgp/crs/nuke/RS21473.pdf](http://www.fas.org/sgp/crs/nuke/RS21473.pdf).

<sup>28</sup> R. Ramachandran, "Missile matters," *Frontline*, November 3, 2006, p. 15.

success of the launch were very encouraging. On September 6, 1998, they confirmed that the satellite was in orbit<sup>29</sup> but these claims were subsequently withdrawn. Apparently, the satellite failed to reach its orbit as it could not be found in space by US military and other trackers. Even on September 9, 1998, US space command was not able to confirm North Korean assertions. As of now, the speculation about the success of this launch has been laid to rest and most literature on the subject confirm the view that the satellite was a North Korean launch of its first medium-range Taepodong I ballistic missile from the north eastern part of the country, shortly after noon of August 31, 1998. The rocket landed in the high seas off Sanriku coast of Japan, after flying over the Japanese island of Honshu before plunging into the Pacific Ocean, triggering off Japan's and a similar South Korean space militarization program.<sup>30</sup>

Subsequent to this attempt, no significant enthusiasm has been noticed on the part of North Koreans to invest more in this field. However, even this launch was viewed by Tokyo and Washington as a military danger. They express a view that there is little difference between space exploration and missile launchings.

## **Relevance of WMD Capabilities for the Future**

Now with North Korea being a nuclear capable state, it is important to articulate freshly the significance of other class of weapons of mass destruction for the country. There is a necessity to undertake such analysis afresh because, by and large, a WMD capability in case of North Korea (or for that matter with many others

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<sup>29</sup> John Catalinotto, "DPRK launches first satellite for National Day," *Workers World*, September 17, 1998, available at <http://www.hartford-hwp.com/archives/55a/156.html>.

<sup>30</sup> Kiran Nair, "Space: The Frontiers of Modern Defence" (New Delhi: Knowledge World, 2006), pp. 194-195.

too) is usually discussed as a single category of weapons. Habitually, and by default, many debates on WMDs, relating to North Korea, are found to be associated with nuclear weapons and their delivery platforms. However, there is a need to factor in CB weapons separately because they have very diverse potential for causing fatalities.

At this juncture, the major questions that arise are: First, with nuclear weapons in hand, will North Korea continue with its interests in other class of WMDs? Second, if so, what could be the benefits of doing so? Third, what could be the fate of its clandestine WMD program post-October 9, 2006? Lastly, is it correct to have a myopic view of comparing the significance of one type of WMDs with other types of WMDs or is it prudent to contextualize the relevance of WMDs for North Korea against the backdrop of the central issue of its isolation?

History has shown that all the five stakeholder countries, possessing of nuclear weapons, have not shown much interest in total disarmament and, in fact, some of these countries have got plans of conceiving and undertaking strategic nuclear-modernization programs<sup>31</sup> and some are interested in developing war fighting tactical nuclear arms.<sup>32</sup> Naturally, North Korea is likely to take such ground reality into consideration before taking any further step towards deciding anything about its nuclear weapons and also for that matter other types of WMDs.

Much will depend in future about how North Korea perceives its possession of various types of WMDs. If it perceives a possession of WMDs as an adoption of new weaponry and not a final destination, it would try to continuously upgrade its existing arsenal. In respect to the

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<sup>31</sup> Jeffrey Lewis, "The ambiguous arsenal," *Bulletin of the Atomic Scientists*, May/June 2005, Vol. LXI, No. 3, pp. 52-59.

<sup>32</sup> Wu Sha, "A Tentative Analysis of US Development of New-type Tactical Nuclear Weapons," *International Strategic Studies*, 1<sup>st</sup> Issue, 2004, p. 55.

nuclear aspects of WMD, it appears that it will find it extremely difficult to conduct more tests. This may have a serious handicap for its assembly-line production of nuclear weapons. This is going to hamper its ability to factor nuclear weapons into its military planning. On the weapon-deliverable platform front, there are numerous technical hurdles for Pyongyang to overcome before it can deploy a nuclear-armed long-range ballistic missile.<sup>33</sup> Hence, in short, North Korea is likely to remain a dwarf nuclear power with no ability to deploy functional nuclear weapons, at least in the near future. In view of this, it may like to keep other WMD options open.

However, keeping these options open is not an easy task. Various chemical and biological weapons decay over a period of time and require timely maintenance. Additionally, their potency and virulence decrease rapidly, reducing their 'mass destructive' capability. Hence, to maintain a minimum level of preparedness, North Korea needs to continuously upgrade its chemical and biological weapons program. Interestingly, North Korea is a signatory to the biological weapons convention (BWC) but not to the chemical weapons convention (CWC). Unfortunately, the BWC is the only treaty without any provision for a verification protocol and challenge inspections. Therefore, clandestinely, North Korea can continue with its CB programs without much of a fear of detection.

Reflecting the Soviet military doctrine, North Korea has traditionally viewed chemical weapons as an integral part of any military offensive. There are no indications that this view has altered since the end of the Cold War.<sup>34</sup> To date, North Korea has never been put under serious pressure by other states with respect to its CB weapons potential. Because of the clandestine nature of its CB

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<sup>33</sup>Bryan Dorn, "North Korea: A threat to regional stability?" *New Zealand International Review*, November/December 2005, p. 21.

<sup>34</sup><http://www.fas.org/nuke/guide/dprk/doctrine/index.html>.

program, the rest of the world knows very little about the CB aspects of North Korea's WMD programs and also it appears that the world has really not bothered to find more about its CB ambitions. North Korea is likely to exploit this situation and may reinforce its CB arsenal.

Since the 1950s, North Korea has carried out a series of limited attacks against South Korea and South Korean citizens abroad.<sup>35</sup> In the near future, North Korea could include CB weapons in such type of threats and attacks, especially if the North Korean leaders feel desperate. With the likelihood of heavy economic sanctions, North Korea may opt for biological weapons. It may be difficult to prove that North Korea's complicity in the event of such an attack, yet most would recognize the country's hand in such an act. In the recent past, the SARS epidemic has proved that even a limited outbreak of a disease could cause billions of dollars of damage to the South Korean economy. Therefore, knowing the potential and utility of such weapons and knowing fully well that nuclear weapons are unusable, North Korea is unlikely to give up its biological weapons program.

For many years, chemical weapons have been assigned a major role in North Korean strategic thinking. The country expects its chemical weapons to compliment its conventional military power. In the event of a surprise attack, North Korean forces are expected to use chemical weapons to demoralize the defending forces, reduce their effectiveness, and deny them the use of mobilization centers, storage areas, and military bases, without physically destroying facilities and equipment. It is likely that chemical weapons would be used early in the conflict, rather than held in strategic reserve. By doing this, virtually every stage of US military operations would be made more complicated by the requirement to operate after the use of chemical weapons, beginning with deployment through vulnerable ports and

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<sup>35</sup>Bruce Bennett, *op.cit*, p. 93.

staging facilities. From the North Korean point of view, far from being weapons of last resort, chemical weapons may be weapons of first resort.<sup>36</sup>

North Korea understands that it would become very difficult for the US to retaliate by using nuclear weapons if North Korea uses chemical weapons against US troops. This is because a nuclear response could be seen as less credible against the use of chemical weapons on the battlefield, it being a totally disproportionate response. Additionally, with South Korea being an ally, not to mention a physical neighbor, US forces will have to factor in the problems of spillage of radiation into their territory under unfavorable weather conditions. Under these circumstances of limited options against itself, North Korea is expected to feel more confident with the various options that non-nuclear WMDs offer.

Over the years, it has been observed that the utility of WMDs have been twofold for North Korea. One, as a deterrence and two, clandestine proliferation of these weapons has an economic dimension to it. North Korea is not looking at the relevance of WMDs only in the context of their capability towards forcing maximum number of casualties but, in reality, they are the real political as well as economic weapons for North Korea. Particularly after the nuclear test, North Korea may opt for a wait and watch policy for some time and is unlikely to give up its overall WMD capability.

In the early 1990s, a shift was seen in the way major regional powers dealt with North Korea - from deterrence to multilateral engagements. On the bilateral front, by 1998, South Korea had progressed even to a level of unconditionally engaging North Korea in the hope that it would open up to such an extent that even a reunification was possible. However, this engagement policy at various levels started breaking down since 2001 when the US

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<sup>36</sup><http://www.fas.org/nuke/guide/dprk/doctrine/index.html>.

government's policy shifted from engagement to isolation or containment. Post-9/11, the US declared North Korea as an *axis of evil* and shifted its strategy toward a policy of preemption.<sup>37</sup> Since then, the Bush Administration has mostly implemented neo-conservative recipes for a hawkish, aggressive containment policy toward North Korea. This all started soon after North Korean officials revealed to James Kelly about their uranium enrichment program in October 2002. Subsequently, the Bush Administration stopped providing heavy fuel oil to North Korea. The US also captured a North Korean ship carrying shipment of scud missiles to Yemen and redeployed its forces in South Korea. Congressional neo-conservatives raised concerns about the worsening human rights situation in North Korea and passed a bill to support North Korean refugees in inducing a spontaneous regime collapse by massive exodus of North Korean people.<sup>38</sup>

In hindsight, it could be argued that this hard-line stance did nothing to solve the North Korean problem. In fact, this Bush Doctrine of preemption probably gave a strong incentive to North Korea to go nuclear for its own protection.<sup>39</sup> North Korea must have become alarmed with the US invasion of Iraq in 2003. Under these circumstances, North Korea is fully aware of the fact that in case of a military conflict (which is most unlikely at least in near future) to keep the forces of the US and its allies away from North Korea, asymmetric capabilities are needed and CB weapons could be most useful for that purpose.

North Korea is also a producer and exporter of rudimentary but operational intermediate range ballistic missiles, which are based on shorter range scud missiles developed by the Soviet Union. North

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<sup>37</sup>Chandwick I. Smith, "North Korea: The Case of Strategic Entanglement," *Orbis*, Vol. L, No. 2, Spring 2006, p. 350.

<sup>38</sup>Hung Baeg Im, "The US role in Korean democracy and security since cold war era," *International Relations of the Asia-Pacific*, Vol. VI, No. 2, 2006, pp. 176-177.

<sup>39</sup>Peter Katona, et al., *Countering Terrorism & WMD* (London: Routledge, 2006), p. 23.

Korea has officially claimed that to safeguard its sovereignty and right to exist, it is entitled to have powerful military countermeasures, including nuclear weapons.<sup>40</sup> Under the present circumstances, it would become very difficult for North Korea to engage in the business of missiles and nuclear technology when the entire world is looking at it. Therefore, it may look for alternative options and particularly biological weapons may come in handy, with very little chances of being detected. Additionally, the attractiveness these weapons hold for states (rogue) and terrorists far exceeds the attention they receive both in the disarmament process and in attempts to prevent proliferation of the technologies and production base.<sup>41</sup> North Korea may exploit this situation of dormancy in the arena of CB weapons to its own advantage by building a robust CB munitions store.

North Korea is not known to have a strong industrial base for chemical or biotechnology industry. However, they have succeeded in acquiring dual-use chemicals that could potentially be used to support their longstanding CW program. Moreover, it is feared that Pyongyang has acquired dual-use biotechnical equipment, supplies, and agents that could be used to support North Korea's BW program. North Korea is believed to possess a munitions production infrastructure that would have allowed it to weaponize BW agents and may have some such weapons available for use.<sup>42</sup>

Interestingly, North Korean nuclear deterrence, particularly against South Korea, should be seen in the context of certain 'physical geography' realities.<sup>43</sup> This is because nuclear weapons do not

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<sup>40</sup> *The New York Times*, November 19, 2002.

<sup>41</sup> Mikhail Pogorely, "Prospects For Russian-US Cooperation in Preventing WMD Proliferation," 2004, p. 85.

<sup>42</sup> Unclassified Report to Congress on the Acquisition of Technology Relating to Weapons of Mass Destruction and Advanced Conventional Munitions, available at [https://www.cia.gov/cia/reports/721\\_reports/july\\_dec2003.htm#5](https://www.cia.gov/cia/reports/721_reports/july_dec2003.htm#5).

<sup>43</sup> Col. John Collins, "North Korea: The Case Against Preemption," *Proceedings*, November 2006, pp. 27-28.

recognize national boundaries and hence have limited utility in respect of 'proximity warfare.' These weapons, being 'area' weapons, impact very large geographical regions. The effects of radiation spread are dependent on prevalent atmospheric conditions and largely governed by local temperature and wind patterns. In case of any likely nuclear conflict between India and Pakistan it is generally perceived that the short-term and long-term changes could affect both the warring nations.<sup>44</sup> This analogy could also be extended to any nuclear conflict on the Korean Peninsula. Under such circumstances, North Koreans may depend on CB weapons both as a weapon of deterrence as well as a 'usable' weapon.

## Conclusion

History has shown that North Korea is a state like no other. As a result, there are no textbook solutions to deal with it. Moreover, there is no single approach available to deal with the situation. Today, by going nuclear, North Korea has changed the strategic calculus of the region. This perceived value of nuclear weapons for North Korea is reflected in the often-cited statement attributed to the former Indian Chief of the Army Staff, General Sundarji, "One principal lesson of the Gulf War is that, if a state intends to fight the United States, it should avoid doing so until and unless it possesses nuclear weapons."

However, it appears that North Korea may not have fully developed *weapon, delivery platform and command & control structure* for its nuclear assets to deter its enemy. Under these circumstances, it may depend upon the asymmetric usage of nuclear know-how. However, this being an untested field, it may look toward strengthening other options like investing more in the already developed programs on chemical and biological weapons and

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<sup>44</sup> Ajey Lele, *Weather and Warfare* (New Delhi: Lancer, 2006), pp. 97-98.

strengthening its missile capabilities.

It is sad that the North Korean government fails to understand that it has crippled its semi-industrial economy and about the 70% of its population lives in urban settings and investments in WMDs are not going to help them to prosper and that they should look for options like economic reforms. However, North Korea feels that if it begins reforms, the US imperialists and their South Korean accomplices would cut them short by striking at a time when the country is least prepared for contingencies.<sup>45</sup> Looking at the US record of trying to establish its hegemony globally, one cannot fault North Korea entirely.

Pyongyang has developed nuclear weapons to hedge against the possibility that the US is too aggressive to be restrained by the high costs of a conventional attritional campaign. North Korea may want to possess nuclear weapons as a supplemental deterrence. Such hedging against an enemy's worst intent is not rare in defense planning, especially amongst militaristic states.<sup>46</sup> Additionally, as a militaristic state, North Korea may like to keep other WMD options open because they have got dual utility: first, they have deterrence value and second, their utility factor to actually deploy these is exceptionally higher than that of nuclear weapons.

Today, it appears that North Korea has played its last card to offset the loss of the Soviet strategic counterweight, the infinitely greater economic dynamism of South Korea and a perceptible diminution of Chinese enthusiasm for its erstwhile ally.<sup>47</sup>

Naturally, for the sake of ending their *isolation*, North Koreans are unlikely give up any type of WMDs because they fully understand

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<sup>45</sup>Konstantin Asmolov, "North Korea: Stalinism, Stagnation, or Creeping Reform?" *Far Eastern Affairs*, Vol. XXXIII, No. 3, 2005, pp. 22, 25.

<sup>46</sup>Dong Sun Lee, "US Preventive War Against North Korea," *Asian Security*, Vol. II, No. 1, 2006, p. 18.

<sup>47</sup>Ramesh Thakur, "North Korea Test as Spur to Nuclear Disarmament," *Economic and Political Weekly*, October 21, 2006, p. 4403.

that the possession of these weapons (in whatever dwarf form they may be) gives them the requisite bargaining tools. They also understand that to keep the US away from their own territory it is essential to possess even chemical and biological weapons and they would go to any extent to possess/retain them.

# *Securing the Periphery: China-North Korea Security Relations*

*Srikanth Kondapalli*

## **Abstract**

The People's Republic of China (PRC)'s security relations with the Democratic People's Republic of Korea (DPRK or North Korea) have been highlighted in the recent period for their enduring relationship, their uninterrupted military pact from July 11, 1961, by-and-large similar positions on issues related to opposing Japan and the United States-led military alliances and troop deployment in the region. The October 9, 2006 announcement of testing nuclear devises by the DPRK adds a new dimension to the security relations between the PRC and the DPRK. This paper seeks firstly to outline the security perceptions, interests and objectives on the Korean Peninsula and argues that this region is crucial for its periphery in the coming years. Secondly, after discussing several Chinese initiatives, it ponders whether China has the effective leverage and will to persuade the DPRK in regard to the nuclear issue. Thirdly, China appears to have prioritized the Taiwan issue when considering the North Korean issue. Finally, such relations are deeply indicative of the primacy given by China to the military balance of power issues. In the same breathe as it suggests the desire to build a 'well-off society' by 2020, China also recognizes the equally deep need for a secure periphery.

**Key Words:** security perceptions, interests, objectives, initiatives, balance of power

## Introduction

The PRC's security relations with North Korea are highlighted by their enduring relationship, their uninterrupted military pact from July 11, 1961, by-and-large similar positions on issues related to opposing Japan and the United States-led military alliances and troop deployment in the region. The geopolitical and strategic importance of each other, informed of balance of power equations, similar (and sometimes shared) political systems and beliefs and unfulfilled national reunification ambitions on their own terms, characterizes some of their common perspectives. However, significant differences exist between the two, specifically in security relations. First this paper outlines Chinese security perceptions, interests and objectives on the Korean Peninsula as reflected in the official, academic and media commentaries and argues that this region is crucial for its periphery in the coming years. Secondly, after discussing several direct and indirect Chinese initiatives, it ponders whether China has the effective leverage and will to persuade North Korea on the nuclear issue. Thirdly, China appears to have prioritized the Taiwan issue when considering the North Korean issue. Finally, such relations are indicative of the primacy given by China to military balance of power issues. Even as it suggests the vital importance of building a "well-off society" by 2020, China also sees itself as needing a secure periphery.

The Chinese official account of its relations with North Korea depicts it as "two friendly neighbors joined by common mountains and rivers" [*shanshui xianglian de youhao linju*].<sup>1</sup> Earlier accounts of China underline the importance of North Korean 'heroic deeds' in

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<sup>1</sup> See Ding Yayi, 'Zhonghua renmin gongheguo yu Chaoxian guanxi' [PRC and North Korean relations], in Tang Jiakuan (ed.), *Zhongguo Waijiao Cidian* [Dictionary of China's Diplomacy] (Beijing: World Knowledge Publications, 2000), pp. 567-569. Such friendly relations were cemented by the common struggle against Japanese imperialism.

boosting Chinese security.<sup>2</sup> Changes in the US military doctrine towards Asia in the late 1960s were cited as the reason for expanding relations between China and North Korea in 1971.<sup>3</sup> Nevertheless, China reminds North Korea that it is a “near/close neighbor” [*jinlin*] with its attendant security considerations or sometimes refers to it in the pejorative sense as “poor little kid” [*qiong xiaozi*].<sup>4</sup>

Although the Chinese government has regularly stated that its relations with North Korea “continue to be solidified [and] developed” [*jixu gonggu fazhan*] in the political, economic and security areas, bilateral relations are not always amicable between the two.<sup>5</sup> Even though both are socialist in their political program, it appears that tensions between the two have existed from the beginning.<sup>6</sup> Several

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<sup>2</sup> See Pei Jianzhang (ed.), *Zhonghua renmin gongheguo waijiao shi 1949-1956* [History of Foreign Policy of the PRC] (Beijing: World Knowledge Publications, 1994), p. 81.

<sup>3</sup> For Mao Zedong’s statement that the real target of the US-Japan alliance is not North Korea but that it is aimed at the PRC, see Wang Taiping (ed.), *Zhonghua renmin gongheguo waijiao shi 1970-1978* [History of Foreign Policy of the PRC] (Beijing: World Knowledge Publications, 1994), p. 37.

<sup>4</sup> See Ruan Cishan, “Han Chao hejie Zhongguo shi zuida yingjia,” June 20, 2000, <http://www.zaobao.com/special/korea/pages/korea200600c.html>.

<sup>5</sup> Although several Chinese refer to their contributions in the Korean War efforts, important differences persisted even on this issue. See Shen Zhihua, “Zhong Chao guanx” [China-North Korea relations], June 28, 2005, <http://www.coldwarchina.com/zgyj/zcgx/index.html>. See also Taeho Kim, “Strategic Relations Between Beijing and Pyongyang: Growing Strains Amid Lingering Ties,” in James R. Lilley and David Shambaugh (eds.), *China’s Military Faces the Future* (Armonk, New York: M.E. Sharpe, 1999), pp. 306-309. You Ji, “China and North Korea: A Fragile Relationship of Strategic Convenience,” *Journal of Contemporary China*, Vol. 10, No. 28 (August 2001), pp. 389-390.

<sup>6</sup> Some trace the political difference between China and North Korea to the existence of two factions among Koreans. Two factions were identified among these “northern” Koreans: the so-called Chinese communist-backed “Yanan” faction and the Soviet Union-backed “Kapsan” faction [belonging to Kim Il Sung who ruled over North Korea from 1950s till his death in 1994]. These different factions may explain partly to the relative influence of the Chinese and Soviet policies on the North Korean leadership, though Soviet forces withdrew in 1948 and the Chinese forces in 1958 (and completely by 1994). See Bruce Cummings, *The Origins of the Korean War 2 Vols.* (Princeton, NJ: Princeton University Press, 1995); William Stueck, *The Korean War* (Princeton, NJ: Princeton University

factors may have contributed to these tensions including differences in political praxis,<sup>7</sup> national interests,<sup>8</sup> suspicion of each other being closer to the US<sup>9</sup> and historical differences that have re-emerged recently.<sup>10</sup>

At the highest levels, leaders of both the countries have visited each other at relatively regular intervals. The Cold War period witnessed about 37 visits at the highest political levels. Of these, visits made during the earlier period were far less compared to the 1980s. Five visits were made in the 1950s with the North Korean leader Kim

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Press, 1995); and Allen S. Whiting, *China Crosses the Yalu* (New York: Macmillan, 1960).

<sup>7</sup>For instance, the North Korean leadership reportedly critiqued the Chinese socialist experiments of Great Leap Forward, Peoples Communes, Cultural Revolution during Mao's times and dismissed China's economic reform and opening up of the recent decades as inimical to the socialist project. See Bernard Schaefer, "North Korean 'Adventurism' and China's Long Shadow, 1966-1972," *Working Paper No. 44*, Cold War International History Project (Washington, DC: Woodrow Wilson International Center for Scholars, October 2004); Andrew Scobell, "China and North Korea: From Comrades-in-Arms to Allies at Arm's Length," March 2004, <http://www.carlisle.army.mil/ssi/>. However, in the recent visits to Shanghai and other places, Kim Jong Il reportedly praised Chinese reforms.

<sup>8</sup>Differences on perceptions related to more than 1,300km land and maritime borders between the two countries, methods to follow on the Korean reunification issue, etc., could be mentioned here. See Scobell, *Ibid*.

<sup>9</sup>Interestingly, Ren Donglai, writing from Nanjing, suggested that the US Secretary of State Madeline Albright's visit to North Korea and her reception by Kim Jong Il smacks of *realpolitik* specifically in the backdrop of the Chinese losses of thousands of its soldiers in the Korean War. Ren argued that despite the downslide in the Sino-US relations in the aftermath of the Tiananmen Square Incident in 1989, the US still wanted China to be the mediator between the US and North Korea. See "Mei Chao hejie dui Zhongguo de yingxiang" [US-North Korea compromise and its impact on China], October 25, 2000, <http://www.zaobao.com/special/korea/pages/korea251000d.html>.

<sup>10</sup>For instance, the issue of Koguryo kingdom which was established in 43 B.C. to sixth century A.D. became a major contention between China and the Koreans, with the opposition to Chinese claims coming mainly from South Korea, although North Korea has also expressed indignation. The Chinese contention that the kingdom was established by Chinese ethnic minorities and that it is a local government in that period has led to protests on the Korean Peninsula. See Hyoung-Sik Shin, "History of Koguryo," <http://www.dprk-cn.com/en/history/koguryo/>.

Il Sung making four of the five visits. This contrasts with the relatively fewer number of visits during the turbulent 1960s - just two visits on either side - although the number of agreements signed between the two during this period was high. In the 1970s, six visits were made with a majority of them from China. During the 1980s, about 18 visits were recorded - with almost equal emphasis on both sides. However, surprisingly, just one "state visit" was made in this period (by Kim Il Sung in 1982). Interestingly, these contacts indicated 11 "friendly visits" (6 from China); 20 "official visits" (with official friendly visits numbering 11 - a majority of them by the Chinese leaders); five 'unofficial visits' were made (with North Korean leaders making three such visits).<sup>11</sup> The disintegration of the Soviet Union - the main aid-giver to North Korea - has ushered in several changes in the bilateral relations between the PRC and the DPRK.<sup>12</sup>

The post-Cold War period has established new security dynamics for both the PRC and North Korea.<sup>13</sup> From the PRC's perspective, as its 14<sup>th</sup>, 15<sup>th</sup> and 16<sup>th</sup> Communist Party Congresses emphasized, economic development, reform and opening up to the outside world are to be the watchwords with its obvious stress on stability in the region. Economic globalization, global military transformation and the emergence of non-traditional security issues

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<sup>11</sup> See for the compilation of visits in Ding, op.cit., p. 568.

<sup>12</sup> Ao Guang argued that disintegration of the USSR led to the collapse of the Soviet nuclear umbrella over North Korea and this factor was the main reason behind the current North Korean nuclear program. For the Chinese part, given the gradual increase in the US strategic and conventional superiority in the region, Ao argued that in its own national security considerations, China needs to "resume" [*huifu*] military balance on the Korean Peninsula. See Ao Guang, "Chao he weiji dui Zhongguo anquan liyi de yingxiang: Shizhi shi junshi pingheng bei pohuai" [North Korean nuclear crisis and its impact on China's security interests: Essence is destruction of the military balance], *Jianquan Zhishi* [Naval & Merchant Ships], No. 9 (August 2003).

<sup>13</sup> See Taeho Kim, "China's Post-Cold War Relations with the Korean Peninsula: A Testing Ground for its Power and Prosperity," in K. Santhanam and Srikanth Kondapalli (eds.), *Asian Security and China 2000-2010* (New Delhi: Shipra Publications, 2004), pp. 205-215.

have brought in new considerations in the Chinese security calculus as compared to its policies prior to the reform period. Yet certain considerations remained constant including its minimalist security considerations on keeping the United States forces at bay and restricting Taiwan's influence in the region.

In the context of the Korean Peninsula, the PRC now is faced with several challenges and prospects. The PRC's normalization of relations with South Korea – after both Koreas' were made United Nations members in 1991 - offered China with the much needed economic and technological resources for its modernization. On the North Korean front, China faced both challenges and prospects. Reports about economic problems in North Korea coupled with the prospects of an unwelcome influx of refugees<sup>14</sup> and its quest for acquiring weapons of mass destruction posed serious security challenges to the PRC. The reported North Korean occupation of several islands at the Yalu and Tumen Rivers by 1993 was viewed with concern.<sup>15</sup> This situation resulted in the emergence of both military security issues along with non-traditional security issues which were inclusive of human, economic, environmental and energy dimensions.<sup>16</sup> On the other hand, China is acutely aware that in the aftermath of the Korean War of 1951-1953, it has lost Taiwan almost forever due to US military deployments in the Taiwan Straits.

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<sup>14</sup>There are several estimates on the influx of the North Korean refugees into China and other countries. While Japan estimates possible influx of nearly two million refugees in the event of a North Korean regime collapse, the Korean Buddhist group Good Friends estimate such numbers in China around 140,000 to 300,000 in the northeast of China alone. In addition, late 1990s and in the last six years, several reports indicated to such refugees attempting to take asylum in several embassies in Beijing and other places. See [http://www.csis.org/pacfor/cc/993Qchina\\_skorea.html](http://www.csis.org/pacfor/cc/993Qchina_skorea.html).

<sup>15</sup>See Joseph Yu-shek Cheng, "China and the Korean Situation: The Challenge of Pyongyang's Brinkmanship," *East Asia* (Winter 2003).

<sup>16</sup>On the other hand, the spread of SARS incidences in China during 2003 made both Koreas to make efforts to block entrée points. Thus North Korea and South Korea both took measures to scuttle flights from China during this period.

Extracting concessions from the US on the Taiwan issue by being the principal mediator between the US and North Korea offers potential leverage in regards to the hoped for Chinese reunification with Taiwan.

Strangely, as compared to the Cold War period, the 1990s were to be a period of few high-level political visits between the two, although the official yearbooks mention that both leaders are in regular touch. After the 1992 trip, it took nearly nine years for the Chinese President to visit Pyongyang, while the North Korean leader Kim Jong Il made three non-official visits to China in May 2000 (the first in 17 years), January 2001 and April 2004.<sup>17</sup> In addition, it was reported that Kim made a secret visit to China in January 2006. The Chinese President Hu Jintao visited North Korea in October 2005. Besides these contacts, the Chinese foreign minister visited the DPRK in October 1999 and March 2004.<sup>18</sup> During Chinese President Jiang Zemin's visit in 2001, he suggested to Kim Jong Il that both should "inherit traditional [ties], look towards the future, develop a harmonious friendship, [and] strengthen cooperation" [*jicheng chuantong, mianxiang weilai, mulin youhao, jiaqiang hezuo*] between the two countries.<sup>19</sup> Jiang reportedly told Kim Jong Il that:

China is a close neighbor of the Korean Peninsula. The basic principle in dealing with Korean Peninsular affairs for China is to devote itself to keep the peace and stability on the peninsula. China hopes the North and South will improve their relations and welcomes the two leaders' meeting and supports peaceful unification based on their own effort.<sup>20</sup>

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<sup>17</sup> See Piao Jianyi, "Xinshiqi Zhong Chao guanxi xin fazhan" [New developments in the China-North Korean relations during the New Century], November 3, 2005, <http://www.iapscass.cn/xueshuwz/showcontent.asp?id=658>. Yang Shangkun visited in 1992 followed by Jiang Zemin in September 2001.

<sup>18</sup> This information is based on the Chinese Foreign Ministry Policy Planning Department Ed *Zhongguo Waijiao* [China's Foreign Affairs] (various yearbooks) (Beijing: World Affairs Press, various years).

<sup>19</sup> See Piao, *op.cit.*

<sup>20</sup> Jiang cited in Zhang Yunling, "Toward peace on the Korean Peninsula: What

In the wake of the October 2005 visit of President Hu Jintao to Pyongyang, Piao Jianyi argued that four new developments characterized the bilateral relations in this new period. Firstly, for mutual benefit, they should continue the “close high-level visits, strengthen mutual communications, expand the spheres of exchanges, enrich cooperative intensions, carry forward cooperation in the economy and commerce, accelerate common development, actively coordinate cooperation, and preserve common interests” [*miqie gaoceng wanglai, jiaqiang xianghu goutong, tuozhan jiaoliu lingyu, fengfu hezuo neihan, tuijin jingmao hezuo, cujin gongtong fazhan, jiji xietiao peihe, weihu gongtong liyi*]. Secondly, they should seek to, by peaceful diplomatic talks, under the Six-Party Talks framework, resolve the Korean nuclear problem, thirdly, strengthen cooperation in the economic and commercial sectors. Finally, both need to appraise each other of the developments unfolding in the region.<sup>21</sup>

## Security Issues

Historical and contemporary events, balances of military power and economic considerations lay at the roots of Chinese security perceptions about the Korean Peninsula in general and North Korea in particular. Major features that recur in the Chinese literature about its interests on the Korean Peninsula allude strongly to its historical role, with most authors tracing Chinese efforts to keep away other foreign influences such as during the Qing Dynasty and the Korean War of 1951-53. In other words, China treats this region as a ‘buffer’ zone. Its

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should we do?” in the Korea Economic Institute (ed.), *Cooperation and Reform on the Korean Peninsula* (Washington, DC: 2002), <http://www.keia.org>.

<sup>21</sup> See Piao, op.cit.

earlier efforts were to keep Japan and US forces from coming closer to its vicinity.<sup>22</sup> It has opposed the US military alliances and deployments in South Korea and Japan. In addition, currently, it is opposed to the planned deployment of a ballistic missile defense system in East Asia. The military pact of July 1961 can be clearly explained in terms of such efforts. In addition, Chinese leaders have emphasized in the recent period that they prefer stability in the region that is conducive for its economic development. With this approach, China intends to enhance its “comprehensive national power.”

North Korea is generally depicted in Chinese writings as a “security door” [*anquan menhu*] for China. According to Ao Guang, since the Tang Dynasty through to the Qing Dynasty, China has been concerned about the security events on the Korean Peninsula. Late 19<sup>th</sup> century Japanese intrusions through this region and the occupation of Korea between 1910 and 1945 are frequently cited to indicate that from the security point of view China has every reason to be concerned. This was cited as one of the main considerations behind the Chinese active involvement with about 850,000 “volunteers” in the Korean War of 1951-53 and the subsequent events which followed.<sup>23</sup> The last Chinese troops were only to withdraw from North Korea in 1994.<sup>24</sup>

Overall, the recent Chinese official statements indicate China’s desire for peace [*heping*] and stability [*wending*] on the Korean

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<sup>22</sup>For a recent perspective see Niklas Swanstrom and Mikael Weissmann, “The Chinese Impact on the DPRK Negotiations,” *Peace Review*, Vol. 16, No. 2 (July 2004).

<sup>23</sup>The main objective of the Chinese People’s Volunteers’ five campaign efforts during the Korean War is to protect Chinese security interests. See Han Xianchu and Meng Zhaohui, “Kangmei yuanchao zhanzheng” [War to resist US Aggression and aid Korea] in *Zhongguo Dabaike Quanshu: Junshi* [Chinese Encyclopedia: Military Affairs], 2 Vols. (Beijing: Chinese Encyclopedia Publications, 1989), Vol. 1, pp. 629-631.

<sup>24</sup>See Ao, op.cit.

Peninsula, guaranteeing North Korean security but also clearly seek to avoid any chaotic transition period in its periphery<sup>25</sup>; supports a nuclear-free zone in the region while opposing any plans for regime change in the DPRK. China has stated that the choice of reunification as well as changes, if any, to the internal political system have to be made by the Koreans themselves without any *outside* [read American] influence.<sup>26</sup> However, the ‘stakeholder’ image promoted by the US recently for China and the latter’s desire to paint itself as a ‘responsible’ power puts pressure on China’s policy towards North Korea and its strategic programs. China has encouraged the diplomatic normalization of North Korean relations with the western countries, specifically with the US, so that at the minimum the current *status quo* on the Korean Peninsula prevails.<sup>27</sup>

Ren Jingjing, a professor at the international relations institute of the People’s University, has termed the North Korean nuclear issues as the ‘most complicated, most sensitive, [and] most intractable’ of all the security issues of the region.<sup>28</sup> For Men Honghua, the East Asian

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<sup>25</sup> See Piao, *op.cit.*

<sup>26</sup> See Yi Xiaoxiong, “A Neutralized Korea? The North-South rapprochement and China’s Korean Policy,” *Korean Journal of Defense Analysis*, Vol. 12, No. 2 (Winter 2000), pp. 71-118; Yuan Jing-dong, “China and the North Korean Nuclear Crisis,” <http://cns.miis.edu/research/korea/chidprk.htm>. This is also reflected in the Chinese formula of ‘*zizhu heping tongyi*’ [independent (and) peaceful reunification] of the Korean Peninsula. See Piao, *op.cit.*, interestingly, Qing Song, from Hebei Province, argued that South Korean formulas for reunification with North Korea may alleviate Chinese financial and security burdens in supporting North Korea, although US troops presence and mixed responses within Taiwan on reunification with China may not be conducive to the Chinese security interests. See “Zhongguo leguan HanChao tongyi” [China optimistic about Korean unification], June 21, 2000, <http://www.zaobao.com/special/korea/pages/korea210600d.html>.

<sup>27</sup> See Choon Heum Choi, “China’s policy toward East Asia and North Korea: Continuity and change,” (Seoul: KINU, 2001), <http://www.kinu.or.kr/eng/content/view.asp?page=7&startpage=1&cno=24>.

<sup>28</sup> Ren Jingjing, “Dongya duobian anquan jizhi: Zhongguo de kunnan yu xuanze” [East Asian multilateral security mechanism: China’s problems and choices], *Jinri Shijie* [World Today], No. 10 (2005). Ren suggested that two possibilities may emerge from the Six-Party Talks: A new organization or a new forum from the region

region is crucial for Chinese security as one of the most dynamic regions in the world. Hence, China needs to carefully articulate its position in the coming years with the US as a crucial factor in the region.<sup>29</sup>

According to Chen Ke, a Beijing-based political writer, the central dilemma of the Chinese leadership pertains to the Taiwan issue, refugee problems and the economic slowdown in the event of Chinese participation in a second Korean war if the US unleashes preemptive strikes. For him, the Korean situation has forced China into a “chicken rib” [*jile*] by being forced to recognize the Korean identity and request assistance from the US to negotiate with the former on the one hand, while making efforts to dissuade the US from waging a war on North Korea.<sup>30</sup>

Xia Yi has argued that China may not interfere if the US declares war on North Korea over the latter’s nuclear program and that China would abide by the UN Security Council sanctions if these were imposed. In Xia’s opinion, China would not repeat the 1950s-kind of support to North Korea and would be satisfied if the Taiwan issue is not affected by these events.<sup>31</sup>

The main security objectives of China vis-à-vis the Korean Peninsula are to retain its ability to influence the security environment in the region and counter “extra-regional” or even regional powers. It

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that could solve the current imbroglio. Ren also suggested that China should enhance its capabilities to counter border ‘outbursts’ [*tufa*] on its northeast borders.

<sup>29</sup> See Men Honghua, “Jujiao dongya: ZhongMei de chongtu yu hezu” [Focus (on) East Asia: Sino-US conflict and cooperation], *Mao Zedong Deng Xiaoping Lilun Yanjiu* [Mao Zedong Deng Xiaoping Theory Research], No. 6, 2005.

<sup>30</sup> Chen Ke, “Chaoxian de ‘he ezha’ he Zhongguo de liangnan” [Korean ‘nuclear blackmail’ and China’s dilemma], <http://www.zaobao.com/special/korea/pages/korea260303.html>.

<sup>31</sup> Xia Yi, “Chaohe weiji yu Zhongguo zhengfu lichang” [Korean nuclear crisis and Chinese government’s standpoint], February 21, 2003, <http://www.zaobao.com/special/china/general/letter210203.html>. However, he warned that Japan may take advantage of the North Korean nuclear issue.

wants to evolve measures to reunify the two Koreas preferably under its enduring influence. Additionally, China intends to keep Taiwan out of the Peninsula and see to it that the 1950s experience is not repeated. Keeping this in mind, it has opposed any South Korean initiative in improving relations with Taiwan. Equally, China reportedly opposed North Korea in utilizing the “Taiwan card.” When, in June 2002 Taiwanese big business firm Formosa Plastics chief Wang Yung-ching visited North Korea, China was concerned. Overall, with the recent ‘good neighborliness-good partnerships’ policy, China wishes to stabilize the region for her own economic development.

### **Security Initiatives**

In order to pursue her security interests and objectives on the Korean Peninsula, China has initiated several measures in the recent period on issues related to the North Korean nuclear program, reunification efforts, amongst other issues. China was at the forefront in the trilateral and multilateral talks between North Korea, the US and others. It has also adopted quasi-military postures in strengthening its military prowess to compel the North Korean leadership to resume the talks. To strengthen North Korean integration with the outside world, China has helped form multilateral cooperative efforts on the Tumen River Delta region between Russia, North Korea, Japan and China. On the other hand, between June 1-25, 2000, China closed its border with North Korea in anticipation of possible challenges at the inter-Korean summit meeting in Pyongyang on June 13-15, 2000 between Kim Jong Il and Kim Dae Jung. The 2003 Chinese deployments on her borders with North Korea, stopping of energy exports for a brief period and the August 2005 joint exercises with Russia (with its undeclared objective of developing abilities to deal with potential regime change in North Korea),<sup>32</sup> are some of the most obvious and proactive Chinese security initiatives.

The North Korean nuclear developments have attracted considerable attention from the Chinese. Different views were expressed on this subject and varied approaches were considered to resolve this issue.<sup>33</sup> Officially, China prefers a diplomatic initiative in resolving the North Korean nuclear issue and has indicated (as also in the cases of Iran and Iraq) opposition to regime change or “arbitrary sanctions” or intrusive inspections by the IAEA or other agencies (such as UNSCOM in Iraq).<sup>34</sup> Possibly, with diplomatic efforts, less damage will be done to North Korea, and as a result, North Korea may acquire enough time to be persuaded to give up the nuclear option (or, on the contrary, North Korea may get more time to develop its nuclear capabilities). But more importantly, as a veto holding power in the United Nations Security Council (UNSC), China would still be at the center of diplomatic activity on the peninsula.<sup>35</sup>

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<sup>32</sup> See Srikanth Kondapalli, “Sino-Russian Joint Exercises: Implications to Security Aspects,” *Chinese Military Update* of RUSI Journal (London), Vol. 3, No. 1, 2006.

<sup>33</sup> Two different views are prevalent on this theme. Niklas Swanstrom and Mikael Weissmann have suggested that China indeed has higher influence on North Korea than compared to any other country. See “Can China Unite the Gordian Knot in North Korea?” *Korean Journal of International Affairs*, No. 1 (2004). However, Andrew Scobell has argued that while China made efforts to rope in Pyongyang under the multilateral talks, it has not been able to effectively control North Korean ambitions in acquiring nuclear weapons. See Scobell, *op.cit.*

<sup>34</sup> Samuel S. Kim viewed Chinese emphasis on mediation as a part of its conflict management approach. See “China’s Conflict-Management Approach to the Nuclear Standoff on the Korean Peninsula,” a paper presented at Stockholm, December 16-17, 2005. For Howard M. Krawitz, this is reflective of the general Chinese preference for a multilateral approach. See “Resolving Korea’s Nuclear Crisis: Tough choices for China,” *Strategic Forum* (NDU), No. 201 (August 2003).

<sup>35</sup> To mention a few, such diplomatic efforts are seen in the October 2000 meeting between Chinese Premier Zhu Rongji and South Korean President on cooperation on Four-Party Talks; March 2003 discussion between Chinese Ambassador to Seoul and South Korean Prime Minister; July 2003 meeting in Pyongyang and November 2003 meeting of Dai Bingguo in Seoul; August 2003 meeting of Foreign Minister Li Zhaoxing in Seoul; August 2003 meeting of General Xu Caihou in Pyongyang; September 2003 meeting of North Korean National Security Advisor in Beijing; April 2003 South Korean Foreign Minister’s meeting

China is aware of the potential for North Korean nuclear fallout on the East Asian region as a whole with the potential cascading effect on South Korea and Japan and probably even on Taiwan's nuclear program. Indeed, soon after North Korea indicated in October 2002 that it has intentions to go ahead with a nuclear program despite the 1994 Agreed Framework, China has expressed concerns about the potential impact of North Korean nuclear weapons on Chinese security. Furthermore, the January 10, 2003 announcement of the North Korean government withdrawing from Nuclear Non-Proliferation Treaty has added fuel to the fire. In this context, Wu Junfei argued that although the impact of Japan acquiring nuclear capabilities, citing the North Korean programs, will only impact upon Chinese security indirectly, nevertheless, the instability factor for China could increase in the future.<sup>36</sup> Another writer has argued that China, in its own interests, should "firmly urge the DPRK to steer well clear of nuclear weapons" and carry out a comprehensive "crisis management" effort to solve the issue. The unidentified writer has argued thus:

... what China needs to be wary of or worried about in its neighborhood for a long time to come not only includes the unparalleled nuclear strength that the United States has right now, but also includes the real and potential nuclear arsenals of the "minor nuclear powers" and potential nuclear states, the latter of which are probably more dangerous to China in some respects.<sup>37</sup>

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in Beijing; February 2004 meeting in Seoul; October 2003 meeting between Wu Bangguo and Kim Jong Il; April 2004 meeting between Chinese leaders and Kim Jong Il in Beijing; May 2004 1<sup>st</sup> round of working-level meeting on Six-Party Talks and June 2004 2<sup>nd</sup> round meeting in Beijing and February 2006 efforts of Vice Minister Wu Dawei in Pyongyang.

<sup>36</sup> Wu Junfei, "Chaohe weiji yu Zhongguo anquan" [North Korean nuclear crisis and China's security], *Zaobao*, April 16, 2003, <http://www.zaobao.com/special/korea/pages/korea160403a.html>.

<sup>37</sup> "DPRK Nuclear Crisis and China's Strategic Security," *21 Shiji Huanqiu Baodao* [21<sup>st</sup> Century Worldwide Reports] reprinted in *Renmin Wang*, January 23, 2003 in US Department of Commerce, Foreign Broadcast Information Service Daily

The writer further cautioned specifically with the following two possible scenarios:

- (1) To contemplate the worst-case scenario, it is not impossible that China may be confronted with nuclear blackmail over some issue one day and when this happens, China may find itself stuck between a rock and a hard place strategically or in its foreign policy; and
- (2) If the DPRK comes into possession of a sizable nuclear arsenal, it may be inevitable that Japan will be provoked into embarking on a path of nuclearization or it will certainly give the right-wingers in Japan a crucial justification with which they can persuade the majority of the Japanese public to consent to the nuclearization of Japan. <sup>38</sup>

While agreeing that the North Korean government “is the originator of the nuclear crisis, who should be held responsible for the potential devastating impact on security in East Asia” and seeing this behavior as fitting into the North Korean strategy of “seeking negotiations by provoking a crisis,” Shi Yinhong, Director of People’s University of China’s Center for American Studies, argued that the North Korean actions predate the “axis of evil” speech of President Bush and the September 11 events. He said two developments in North Korean “international behavior” in the recent period are of particular relevance. These are outlined as follows:

- (1) the DPRK secretly violates international agreements and resume its nuclear development; and
- (2) the DPRK withdraws from the international mechanism for nuclear non-proliferation and insists on continuing its nuclear development scheme.

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Reports (hereafter *FBIS-CHI*) *FBIS-CHI-2003-0207*, February 10, 2003.

<sup>38</sup> *Ibid.*

From China's security point of view, these developments pose a 'greater danger' than even the US nuclear forces in the region. This is because, from the Chinese perspective, the "first danger comes from the DPRK's nuclear weapons under development and the nuclear arsenals in South Asia. The second is probably biochemical weapons that can be used directly or indirectly by individual countries (through terrorist forces)." In weighing options for resolving this crisis, Shi argued that the "right tool" for China lay in insisting on a dialogue and keeping open diplomatic channels; otherwise the US will not be able to "have fundamental tranquility." Shi was prepared to consider referring the North Korean nuclear issue to the UNSC and was even prepared to consider the imposition of economic sanctions.<sup>39</sup>

Zhang Yunling, Head of the Institute of Asia-Pacific Studies of Chinese Academy of Social Sciences, has argued that the intransigent responses of both the US and North Korea are to be blamed for the impasse on the Korean Peninsula. He suggested that China's interests in the region emphasize peace and stability, although for long-term peace it is necessary to address "both the Cold War mentality and the Cold War policy." He acknowledged, however, that the North Korean nuclear program could receive 'unwelcome responses from others.'<sup>40</sup> If the North Korean regime succeeds in developing nuclear weapons, the blame, according to Huang Binhua, should rest with the US which has reneged on the promised aid package and construction of two light water reactors. The North Korean leadership, according to Huang, finds this - in addition to the US inability to fight in two theatres and the "axis of evil" speech - as a "diplomatic chip" to further its nuclear program.<sup>41</sup> However, Zhang Lintao has suggested that the US respects

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<sup>39</sup> Shi Yinhong, "How to Understand and Deal With the DPRK Nuclear Crisis," *Ta Kung Pao*, January 15, 2003, p. A11 in *FBIS-CHI-2003-0115*, January 16, 2003.

<sup>40</sup> Zhang Yunling, *op.cit.* He suggested that Chinese assistance to North Korea is of "greatest" significance.

<sup>41</sup> Huang Binhua, "Pingyang weihe chengren hewu jihua?" [Why will Pyongyang

the role of China in resolving the North Korean nuclear issue. He argued that it is in China's interests to influence and persuade North Korea into giving up this option for the security of the Korean Peninsula.<sup>42</sup> For Sun Chuanwei, since the US is busy in Iraq operations, it is comfortable with the idea of utilizing China to help deal with the North Korean issue due to its influence over the North Korean regime. However, he has argued that underneath the bonhomie between the two, there exists a friction in the China-North Korean relationship.<sup>43</sup>

China's efforts are to mainly keep the North Korea situation under its control and oppose any outside intervention, including that of the UNSC. In March 2003, for instance, the Chinese Ambassador to the UN opposed any UNSC role in resolving the nuclear standoff between North Korea and the US. Earlier, the Chinese envoy to the UN, Zhang Yan, said on January 6, 2003 (coinciding with the tripartite talks between US, South Korea and Japan) that China will support efforts at a peaceful settlement of the dispute and that it stands for a nuclear-free Korean Peninsula.<sup>44</sup> On January 10, 2003, in a telephone conversation, Jiang Zemin told President Bush that "China does not approve of the DPRK's withdrawal from the 'Treaty on the Non-proliferation of Nuclear Weapons'."<sup>45</sup> Subsequently, several

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admit its nuclear program?], October 24, 2002, <http://www.zaobao.com/special/korea/pages/korea241002a.html>.

<sup>42</sup>Zhang Lintao, "Chaoxian hewu yingxiang Zhong Mei guanxi" [Impact of North Korean nuclear weapons on Sino-US relations], October 23, 2002, <http://www.zaobao.com/special/korea/pages/korea231002.html>.

<sup>43</sup>Sun Chuanwei, "Buru waijie xianglang ban he xie: Zhong Chao guanxi sui miqie dan you mocha" [Frictions in China and North Korean relations despite outside world's depiction of a harmonious relation], October 28, 2002, <http://www.zaobao.com/special/korea/pages/korea281002.html>.

<sup>44</sup>See Wang Li, Zhao Jiamin, Ren Yujun, Xu Baokang and Lu Yansong, "Conversation Over Hot Topic of Favorable Turn in DPRK's Nuclear Issue," *People's Daily*, January 10, 2003 in *FBIS-CHI-2003-0110*, January 17, 2003.

<sup>45</sup>"DPRK Nuclear Crisis and China's Strategic Security," op.cit.

delegations visited Pyongyang to avert any conflict. These included delegations from Australia, the UN, South Korea, Russia and Indonesia. The US reportedly proposed that it is prepared to talk to the North Koreans under the 5+5 formula of five permanent members of the UN and the DPRK, South Korea, Japan, European Union and Australia.<sup>46</sup> Seeing that such mediatory efforts are leading nowhere or even slipping out of its hands, China appeared to have suggested instituting direct talks, specifically in the light of the IAEA's planned move to refer the issue to the UNSC. On February 12, for instance, the IAEA declared that North Korea "has violated" its commitments. Wang Li suggested that although multinational mediation efforts to resolve the dispute are positive, there should be more emphasis on talks between the concerned parties.<sup>47</sup> However, in a show of solidarity with the North Korean government, *People's Daily*, in its review of developments in North Korea in 2002, stated that North Korea has "nourished their fighting spirit of the 1950s." After recounting the economic progress made by North Korea, *People's Daily* further said:

With their spirit of proud fighting and arduous struggle, they are writing a new song of loyalty for this century, a song of enterprise. The facts will show that the people of the DPRK in the not-so-distant-future will attain Kim Chong-il's [Kim Jong Il] larger goal of turning the country into a strong socialist nation.<sup>48</sup>

More relevant is its article on defense. *People's Daily* praised the North Korean armed forces for making 'fresh headway' under Kim

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<sup>46</sup> Wang Li, "Korean Nuclear Question: Endless Mediation But No Change in Situation," *People's Daily*, February 8, 2003 in *FBIS-CHI-2003-0208*, February 10, 2003.

<sup>47</sup> See Wang Li, "Mediation is Not as Good as Face-to-Face Talks," *People's Daily*, February 19, 2003 in *FBIS-CHI-2003-0219*, February 24, 2003.

<sup>48</sup> Zhao Jiaming, "Victoriously Marching Toward the New Year," *People's Daily*, February 16, 2003 in *FBIS-CHI-2003-0217*, March 28, 2003.

Jong Il and his ‘military work as the center’ [as compared to Deng Xiaoping’s policy of “economics at the center”].<sup>49</sup>

Eventually, after a North Korean announcement on April 12, China arranged for a tripartite meeting on April 23-25, 2003 between the North Korean and US delegates.<sup>50</sup> Evidently, South Korea and Japan were excluded from these talks. It was also reported that China desired that there should be direct talks between the US and North Korea in resolving the nuclear issues and was reluctant for the multilateral discussion of these issues.<sup>51</sup> It appeared from the above that both North Korea and China opposed the multilateral talks to be expanded to include Russia and Japan as these countries have ‘no direct relation’ to issues on the Korean Peninsula.<sup>52</sup> Later, Vice Foreign Minister Wang Yi visited Seoul and Tokyo for consultations on the nuclear issue. On May 9, 2003, US Secretary of State Powell called Li Zhaoxing to emphasize the need for discussions on the issue.<sup>53</sup> The Chinese foreign ministry spokeswoman said that the just concluded US-South Korean Presidents meeting and the “zero tolerance” [of nuclear weapons] joint statement in Washington are positive and that what is essential ‘now is to maintain momentum of dialogue’ on the North Korean nuclear issue.<sup>54</sup> She also suggested that Japan and South Korea should play a “vigorous” role in the peaceful

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<sup>49</sup> Zhao Jiaming, “Korean People’s Army Scores Fresh Success,” *People’s Daily*, April 9, 2003 in *FBIS-CHI-2003-0409*, April 11, 2003.

<sup>50</sup> Ren Yujun, “Tripartite Talks on DPRK Nuclear Issue Attract Attention,” *People’s Daily*, April 23, 2003 in *FBIS-CHI-2003-0423*, April 24, 2003; Wang Li, “Talks on DPRK Nuclear Issue Open in Beijing,” *People’s Daily*, April 24, 2003 in *FBIS-CHI-2003-0425*, April 28, 2003.

<sup>51</sup> Chen Ke, op.cit.

<sup>52</sup> See “Chao Zhong fandui Ri E canjia hewu tanhui” [North Korea and China oppose the participation of Japan and Russia in the nuclear talks], *Hanguo xianqu bao*, April 16, 2003, <http://www.zaobao.com/special/korea/pages/korea160403.html>.

<sup>53</sup> “PRC FM Spokesman: Beijing Talks ‘Good Start’ For Resolving DPRK Nuclear Issue,” *Xinhua*, May 13, 2003 in *FBIS-CHI-2003-0513*, May 14, 2003.

<sup>54</sup> “PRC FM Spokesman: US-ROK Joint Statement Shows Consensus for Peace on DPRK Issue,” *Xinhua*, May 15, 2003 in *FBIS-CHI-2003-0515*, May 16, 2003.

resolution of the issue.<sup>55</sup> Subsequently, the joint statement issued by the Chinese and Russian Presidents in Moscow on May 27, 2003 declared that both the countries wished to see peace and stability in the East Asian region by guaranteeing North Korean security and economic development and that the “two parties do not approve of a solution that would exert pressure or use military force.”<sup>56</sup>

One of the major achievements of China is in hosting the Six-Party Talks on the North Korean nuclear issue. The first Six-Party Talks commenced in Beijing on August 27-29, 2003. Reportedly, North Korea proposed three suggestions: North Korea will abandon nuclear weapons in lieu of oil supplies; in lieu of normalization of diplomatic relations with the US and Japan, North Korea will resolve the missiles issue; and the US should complete two light water nuclear reactors.<sup>57</sup> Three major outcomes of the first Six-Party Talks were noted by Gu Ping. These include keeping the Korean Peninsula nuclear free as the goal; an agreement for adopting a parallel and coordinated approach in resolving the crisis (whether to first resolve North Korean security concerns or abandon the nuclear program) and continuing the talks.<sup>58</sup> Subsequently, four more rounds of talks were held on February 25-28, 2004, June 23-26, 2004, July 27, 2005 and November 9-11, 2005. However, on October 4, 2004, Beijing confirmed that North Korea possessed a uranium enrichment program. On February 10, 2005, the DPRK announced indefinite suspension of its participation in the Six-Party Talks, although it

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<sup>55</sup>“PRC FM Spokesman Welcomes US-ROK Summit, Urges ‘Vigorous Role’ by Japan, ROK,” *AFP*, May 15, 2003 in *FBIS-CHI-2003-0515*, May 16, 2003.

<sup>56</sup>Sino-Russian joint statement cited at “DPRK Radio Cites PRC, Russian Opposition to Military Response to DPRK,” *Central Broadcasting Station* (Pyongyang), May 29, 2003 in *FBIS-EAS-2003-0529*, June 2, 2003.

<sup>57</sup>Ren Yujun, “Inside Story of the Beijing Six-Party Talks on the DPRK Nuclear Issue,” *People’s Daily*, August 29, 2003 in *FBIS-CHI-2003-0829*, September 2, 2003.

<sup>58</sup>See Gu Ping, “Six-Party Talks Mark An Important Step Forward,” *People’s Daily*, August 30, 2003, *FBIS-CHI-2003-0830*, September 2, 2003.

joined the talks in the fifth round.<sup>59</sup> Currently, the talks remain suspended and with the North Korean announcement of testing nuclear weapons on October 9, 2006, the whole exercise of multilateral talks faces problems in terms of legitimacy. More importantly, the tests undermine the Chinese position that it has credible leverage in persuading North Korea to give up the nuclear option. With the July 2006 testing of long-range missiles by North Korea, China's position in dissuading the former is being questioned.

Nevertheless, as mentioned earlier, China took certain proactive measures - some of which were positive for North Korea while others are geared to compel the North Korean leadership to restart diplomatic talks. The Chinese foreign ministry and other sources have indicated that there have been regular military exchanges with the North Korean counterparts in the last five decades. However, it is not clear whether this included substantial cooperation in conventional and strategic weapons programs. Although it was reported that China helped North Korea in its missile program - specifically with its aborted DF-60 missile technologies in the 1960s - most of the North Korean strategic weapons know-how and components were reportedly acquired from the then Soviet Union, including the Yongbyon nuclear facilities and scud-type missile technologies. Nevertheless, it was reported that about 107 metric tons of sodium cyanide, useful in the manufacture of nerve gas, were exported from China to North Korea in 2003.<sup>60</sup>

On the other hand, against the backdrop of the March 2003 visit of the *USS Carl Vinson* aircraft carrier battle group in the East Asian seas as a show of strength against the North Korean nuclear program, the Chinese military and other concerned organizations started taking

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<sup>59</sup> See Scott Snyder, Ralph A. Cossa and Brad Glosserman, "The Six-Party Talks: Developing a Roadmap for Future Progress," *Pacific Forum CSIS* (Honolulu, Hawaii), Vol. 5, No. 8, August 2005 and "New Round of Six-Party Talks to Lay Groundwork for Implementing Joint Statement," *People's Daily*, November 8, 2005.

<sup>60</sup> A South Korean report cited at [http://www.csis.org/pacfor/cc/0403Qchina\\_skorea.html](http://www.csis.org/pacfor/cc/0403Qchina_skorea.html).

over patrolling duties on the North Korean border. Some estimate the figure to be around 150,000 troops, although this figure appears to be an exaggeration given the total strength of the Shenyang Military Region.<sup>61</sup> The PRC has upgraded its borders with North Korea by deploying troops and replacing the border guards, ostensibly to check against North Korean refugees.<sup>62</sup> It was also reported that the Chinese government has ordered the blocking of energy supplies to energy-starved North Korea to bring the latter to the negotiating table. In addition, the January 2003 military maneuvers in northern Hebei province and other places with land, sea and air forces were conducted in the context of the Korean Peninsula tensions. In the same month Shenyang Military Region troops took part in 7-day exercises in rapid deployments, preparations for air attacks and testing survival abilities. The military region also conducted joint operations bordering North Korea.

Another crucial issue is China's response to the efforts aimed at Korean reunification. Although officially China has welcomed the inter-Korean efforts at reunification, it has also expressed concerns over the issue of the US troop presence in the region. However, while such opposition to the US troops in the region was acute during the Cold War period, it appears to have mellowed gradually with the imperatives of peace and stability becoming more pronounced in Chinese security policy. One writer suggested that in the 1990s, China viewed the US-led alliance system in South Korea as conducive to the *status quo* in the region.<sup>63</sup> An anonymous Chinese writer has

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<sup>61</sup> See *China Reform Monitor*, No. 512, September 17, 2003, <http://www.afpc.org>. The author would like to thank the anonymous reviewer for pointing out this aspect.

<sup>62</sup> *AFP*, September 16, 2003 in *FBIS-CHI-2003-0916*, September 17, 2003; "China's political and diplomatic motive of massing troops at North Korea and Burma borders," *Kanwa News*, September 30, 2003. This trend appears to have continued in the subsequent period. See <http://69.64.39.126/rmb/articles/2004/10/8/32791.html>.

suggested that in order to get out of the current log-jam on the Korean Peninsula, serious efforts should be made to reunify North and South Korea, albeit under the influence and guidance of China. As the current situation between the two is 'war-like,' both need to disarm, relax rules and regulations, form a confederation with the North Korean ruling Korean Workers' Party taking refuge in China and reforming North Korea with agricultural and industrial modernization and bridge the economic and technological divide between North and South Korea. In addition, this writer suggested that if the US restricts its influence regarding Taiwan and contributes to the peaceful reunification of China and Taiwan, China would make efforts for Korean reunification and end the East Asian crisis.<sup>64</sup> However, according to Choon Heum Choi, although China is keen that both Koreas come together, it "does not want a strategy for a rapid establishment of bilateral trust" between the two Koreas.<sup>65</sup> This indicates the Chinese limitations in regard to the Korean reunification issue.

## Conclusion

Although China and North Korea have evolved an uninterrupted

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<sup>63</sup> See Wang Fei-ling, "Tacit Acceptance and Watchful Eyes: Beijing's Views about the US-ROK Alliance," January 24, 1997, <http://www.carlisle.army.mil/ssi/>.

<sup>64</sup> See "Dongya heping jihua" [East Asian Peace Plan], December 27, 2002, <http://www.zaobao.com/special/china/general/letter271202.html>. This writer suggested that North Korean economy is on the brink of collapse. See also Andrew Scobell, 'North Korea's Strategic Intentions,' July 2005, <http://www.carlisle.army.mil/ssi/>. However, Denny Roy has argued that China may be amenable to the South Korean takeover of the entire peninsula. See "China and the Korean Peninsula: Beijing's Pyongyang Problem and Seoul Hope," *Asia Pacific Center for Security Studies*, Vol. 3, No. 1 (January 2004), <http://www.apcss.org>. For practical problems related to investments, technology, etc., in a post-reunified Korea, see Joseph M. Conforti, "The China Model of Korean Reunification," *East Asia* (Winter 1999).

<sup>65</sup> Choi, op.cit.

relationship despite the transformation in global affairs after the Soviet Union's disintegration, China's security concerns on the Korean Peninsula in general and North Korea in particular became exacerbated from the 1990s. Despite a relatively recent decline in the importance of North Korea for China, it still wants to retain its "traditional" ties in changed circumstances as well as wishing to secure its peripheries. China's main security concerns – the US troops' presence in the region and the Taiwan factor are gradually giving way to the greater prominence given to peripheral security and the stability of the country in its modernization drive. Although core sovereignty and military security issues are not neglected by China - reflected in such events as dissuading both Koreas not to expand relations with Taiwan, coercive diplomatic intentions behind military exercises, the reported blockade of the North Korean border and refugee repatriation - economic growth imperatives have forced China to adopt a more nuanced diplomatic approach of normalization with South Korea and others.

China is aware of the destabilizing effect that the North Korean weapons program can have on East Asia. For this reason, China has been at the forefront of multilateral security initiatives in resolving the pressing Korean Peninsula issues. Yet, these have not been effective as ultimately no headway was made on the strategic weapons issue. While China is aware that the North Korean nuclear issue could have a cascading effect on the other East Asian countries, it intends to follow a twin policy of tying down concerned countries with diplomatic and other obligations and critiquing the proposed ballistic missile defense system on the one hand and, on the other, preparing militarily with the objective of seizing the initiative in the region. China has also expressed concerns and hopes to be prepared for any eventuality if the US indeed follows the policy of regime change in North Korea. More importantly, China intends to use the North Korean issue as a bargaining chip with the US for concessions on

Taiwan.

China has advocated national reunification policies towards its 'lost territories' of Hong Kong, Macao and Taiwan. However, it has not shown equal interest in the Korean unification efforts. Indeed, any unification of an economically and technologically vibrant South and nuclear North is considered to be a challenge for Chinese security. However, in the case of a US troop withdrawal or their transformation into a peace keeping force on the Korean Peninsula with the approval of the North Korean leadership, it is likely that China's position may change provided it is still conducive to its overall strategic and economic interests. These positions will be tested in the context of the Korean Peninsula over the coming years.

# *Economic Contacts between the DPRK and the Russian Far East: 1992-2005*

*Larisa V. Zabrovskaya*

## **Abstract**

The article is based on Russian local statistical data materials and other not widely known documents, which permit to do objective conclusion on the North Korean economic potential and the nature of its economic contacts with the Russian Far East. The article declares that the DPRK is not an economically isolated country and continues to preserve economic relations not only with China, but with other ex-socialist countries, the first of all with Russia.

**Key Words:** economic relations, North Korean workers, labor migration, Russian Far East, joint ventures

## **Introduction**

During the Soviet era, the Russian Far East had very intensive economic contacts with the neighboring DPRK. After the collapse of the USSR, Russian-North Korean economic relations continued, but they were not as wide nor intense as they became later. At present, the contacts are concentrated on North Korean workers' migration to the

Russian Far East and the cooperation between Russian and North Korean companies involved in the following industries; producing canned fish, mining, construction, logging, etc. Therefore, the main purpose of this article is to demonstrate that the DPRK is not an economically isolated state and has economic relations not only with the Chinese Northeast, but with the Russian Far East, as well.

### **The DPRK Workers in the Russian Far East**

There were three waves of North Korean labor migration to the Russian Far East: (1) the first one was during the period from 1945 to the beginning of the 1950s, which was stimulated by a labor shortage in the Russian Far East and had positive political and economic outcomes for both sides; (2) the second one from 1967 till the beginning of the 1990s, which was provoked by political reasons as the former Soviet Union was an ally of the DPRK, but did not engender any economic benefits for the economy of the Russian Far East; and (3) the third one from 1992 till the present. This was a time when it became a balance between the political and economical interests of the both sides. The North Korean labor migration became more economically expedient, and the situation with North Korean labor migration reflected the political reasoning of Russia and the DPRK authorities.

North Korean workers who came to the former Soviet Union during the first two periods pursued two diametrically opposite targets: to make more money than they could at home or to change their citizenship.

During the third period they come to the Russian Far East solely to earn money, because they receive their earnings at home in North Korean currency. Nevertheless, while living in Russia they can find by themselves illegal, untaxed work in addition to their official work

place and receive wages for it in Russian currency. However, as the majority of North Korean workers continue to be un-skilled, they receive poorly paid work.

During the *first period*, North Korean laborers began to work at construction, logging and fishing sites in the Soviet Far East. Such work resumed following an interruption during the 1950-53 Korean War. As none volunteered, criminals, who had committed a succession of crimes, were first mobilized. At the protest of the Soviet government, North Korea began to send model workers to Russian logging sites in the 1970s. In the absence of volunteers, the authorities still had to resort to forceful means in sending loggers to Russia.

In due course, however, the North Korean loggers invited the envy of neighbors when they returned home bringing with them electric home appliances and food. North Korean public perception of loggers began to improve from that time. Upon arriving at logging sites, North Korean workers exerted themselves to make money. Having exhaustively bought up commodities available in the local market, North Korean loggers earned the nickname of “grasshoppers” in the 1980s. Kim Il Sung, during his visit to Moscow in 1984, raised the wage of the loggers in Khabarovskiy Krai to 20,000-30,000 persons and changed the currency paid to them from the North Korean won to rubles.<sup>1</sup>

Those changes resulted in a golden age for the North Korean loggers in Russia for some time. Earning over 100 rubles (equivalent to US\$120 at that time) a month, some successful loggers returned home carrying 2.4 tons of daily necessities. The following perception prevailed, “You can bring home appliances; including TV sets, refrigerators and tape recorders. Once you manage to get there, you can make money without fail.” This gave rise to bribing North Korean

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<sup>1</sup>L. V. Zabrovskaya, *Russia and North Korea: Past Experience and New Perspectives for Interrelations (The 1990s)* (In Russian) (Vladivostok: DVGU Press, 1998), pp. 38-39.

officials in an attempt to get recruited for the logging operation in Russia's Khabarovskiy krai. To prevent possible escapes from the work sites, needless to say, successful applicants had to meet the three conditions of holding party membership, favorable family background and being married.

However, for the entire three-year contract period the loggers had to endure a hellish bachelor-like life at the logging sites in thick forests. Not every logger could make money, either. Bribes were essential if one wanted to get assigned to a favorable working site with parts and necessary tools. Even remittance back home of earned money sometimes needed bribes. As a consequence, some loggers ended up accumulating debts.

When the Soviet Union collapsed in the beginning 1990s, making money got even more difficult due to serious inflation and the suspended supply of spare parts. Then began the *second period* of North Korean labor migration to Russia. Nonetheless, many ordinary North Koreans still aspire to work as loggers in Russia in a move to improve their fate. Once they become loggers, they can at least eat full, ordinary meals which are a far cry from the reality in the DPRK.

At the end of the 1990s the number of North Korean loggers in Russia was not more than 7,000 people. Since it's difficult to accumulate money through logging alone, many of them are engaged in side jobs as well like commerce and building work for local Russians. By working in side jobs, North Korean workers earned over US\$200-300 a month at Primorye or more than US\$300 a month at Sakhalinian oblast. Most of this, they must give to the North Korean Consulate at Nakhodka-city. Therefore, every year North Korean Consulate accumulates US\$2 mln, which it spends on making investments in Russia, paying for export goods from Russia, for sending money to the DPRK and finally buying food. This is one of the ways for the realization of the *juche* philosophy in the realm of economics.

During the last ten years (the *third period*) the total number of North Korean workers in Primorye and Khabarovskiy Krai and Amurskaya oblast has increased year by year (see the Table 1, 3, 4). They worked at the building-sites of the joint-stock companies “Dalrubstroj” and “AKFES,” and in the farms of the Khasanskiy district of Primorye. In many cases, the Russian Koreans who have their own firms invited North Korean workers to work for them.

In summer 2000, Russian President Vladimir Putin paid a visit to Pyongyang. The rapprochement developed further next year, with the North Korean leader Kim Jong Il making a return visit that took him rumbling across Russia in a train under heavy security. The results of Kim’s visit include the Moscow Declaration that he signed with President Putin. The document says that the DPRK’s missile program does not threaten countries respecting its sovereignty. In another achievement, Russia and the DPRK signed an agreement to connect Russia’s Trans-Siberian railroad with a Trans-Korean one, reaching the South Korean port of Pusan. The rail link between North and South Korea is yet to be restored. However, Russia and the DPRK agreed to start a feasibility study for the project in 2001-2002. During that period, some delegations of experts from the Russian Railways Ministry arrived in the DPRK to commence the work.

In the August 2001 during the official visit of the North Korean leader Kim Jong Il to Moscow, the DPRK authorities proposed the sending every year to Russia of more than 5,500 North Korean workers. A year later, in August 2002, during his second unofficial visit to Primorye and Khabarovskiy Krai, Kim Jong Il asked to send another extra 2,500 North Korean workers per year to the Russian Far East. However, Russian Far Eastern local authorities were not eager to give permission for their migration, as there was not enough work places for them. Besides, Russian local authorities began to look on North Korean workers with some prejudice, because, later, many of

them became involved in drug trafficking.<sup>2</sup>

Therefore, to avoid problems with North Korean workers, Russian businessmen who have their own firms in the Russian Far East are afraid to invite many North Korean workers. Therefore, the number of places where North Korean laborers can find work in the Russian Far East is not large and is limited to logging at Khabarovskiy Krai and Amurskaya oblast' or working at farms or construction sites in Primorye (see the Table 1, 2).

*During the 1990s and at the beginning of the 21<sup>st</sup> century, the DPRK was suffering high unemployment. Therefore, the North Korean authorities tried to send their workers to other countries, not only to Russia, but to China - 2,000-3,000 people every year, Mongolia - 2,000 people a year, European ex-socialist countries - around 50 people a year. Meanwhile, the total number of North Koreans working in Far Eastern Russia has reached 11,862 people in 1998, 9,983 in 1999, 13,219 in 2000, 12,500 in 2001, 11,164 in 2002, 11,290 in 2003, 13,294 in 2004, and 13,806 in 2005. Many of them arrived for three or six month working periods, but very few for 1-3 years.*

Table 1. The Number of North Korean Workers at Primorye in 1992-2005

Year	%* - of a total foreign workers in Primorye													
	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Total	1,779	1,181	1,421	3,956	4,144	3,119	2,134	2,373	1,369	2,013	2,089	2,020	3,126	5,693
%*	20.1	15.2	25.5	30.8	30.6	27.6	20.6	23.5	12.5	13.6	14.0	13.0	17.6	16.7

Sources: *Primorye in 1994 Year: Statistical Yearbook* (Vladivostok: Primorye's State Board of Statistic, 1995), p. 16; *Primorskiy Krai in 1999 Year: Statistical Yearbook* (Vladivostok: Primorye's State Board of Statistics, 2000), p. 188.

<sup>2</sup> *Vladivostok* (A newspaper), Vladivostok, April 5, 2002, p. 19.

Table 2. The Number of the Russia-North Korean Joint Ventures in Primorye in 1992-2005

Year	%* - of all JV in Primorye													
	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Total	2	2	2	4	3	3	2	2	3	2	3	3	6	7
%*	1.1	1	0.7	1.3	0.8	0.7	0.6	0.5	0.6	0.4	0.6	0.6	1.3	1.1

Sources: *Primorye in 1994 Year: Statistical Yearbook* (Vladivostok: Primorye's State Board of Statistic, 1995), p. 198; *Primorskiy Kray in 1999 Year: Statistical Yearbook* (Vladivostok: Primorye's State Board of Statistics, 2000), p. 188.

As one can see, only a few North Korean workers find work at Primorye. They are engaged in apartment construction, agriculture and fishing, according to Russian Koreans engaged in farming businesses who employ North Korean laborers in Primorye. Most North Korean workers in Primorye are concentrated near the Pacific port of Vladivostok where they can find illegal untaxed work on the side, with their superiors' encouragement.<sup>3</sup>

It is remarkable that at the end of the 1990s, there has not yet been a single case of North Korean workers in the Russian Far East fleeing to South Korea. The first reason for this is that the ones who come to Russia are ideologically reliable and they have been able to prove they will not escape. Second, they have families and there is an incentive - to make more money and make their lives better off at home.

The wages of North Koreans working in Russian apartment construction averaged US\$120 - 130 a month, half the rate of Russian laborers. North Koreans also agree to be paid only after a building is completed and apartments are sold, providing Russian companies with more working capital during construction.

Finally, North Koreans are undemanding when it comes to creature comforts. Primorye's constructing firms house them in

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<sup>3</sup><http://v1.vladnews.ru>, April 2, 2002.

barracks crammed with bunk beds just a few steps away from the construction site. Make shift wooden shelves overhead hold the workers' few personal belongings, a pair of TV sets by which they can watch Pyongyang TV and a VCR. As usual, the only decorations are portraits of the North Korean leader and his late father Kim Il Sung. The North Korean bosses and translators inhabit a separate but similarly unenviable dwelling - a large metal crate.

The workers voice just one complaint about life in Vladivostok: high crime. "More than once Russian hooligans have attacked, beaten and robbed us," they said. The workers have chained a snarling dog near their barracks to scare off strangers, and they travel around Vladivostok in threes - though Russian officials say that's as much to do with watching each other as for protection.

North Korean workers say that Khabarovskiy Kray continues to be the favored place for making good money. They can receive good pay - 5-6 thousand rubles per month (\$170-190) for logging in Khabarovskiy Krai, but there exists very strong competition among North Koreans to be sent there for work (see the Table 3). A candidate for a good working place must be a member of the ruling party, have a spotless biography, be married, etc. At the same time, to work in logging requires no qualifications. As a result, in Russia, he will be forced to do very hard and labor-intensive work.

It has been stated that most North Koreans who are working in Khabarovskiy Kray are in their 30s and they have completed their military service. They are, also, better paid and record a good work performance and a low-rate of leaving their workplaces.

According to a related official, the monthly wage for Khabarovskiy Kray North Korean workers reaches about \$300. Deducting various taxes and living expenses, around \$100 can be saved a month which is a large amount, considering the average cost of living for a 4-member household for six months in Pyongyang is no higher than \$500. If a North Korean worker saves \$100 a month, he would be able to make

as much as \$3,000 for three years working in Khabarovskiy Kray.

The North Korean workmen have not only worked in the woodland area in the Northwestern part of the above-mentioned district, but on road paving work and creating parks within the city area of Khabarovsk. During 2003, the number of the North Korean workers amounted to around 500 in the city area, and up to 1,100 in the Khabarovsk area as a whole. In the meantime, around 4,000 North Koreans are engaged in the logging work in Irkutsk and Krasnoyarsk oblast' of Russia.

Table 3. The Number of North Korean Workers at Khabarovskiy Kray in 1995-2005

Year	%* - of a total foreign workers in Khabarovskiy Kray										
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Total	319	296	1,050	1,065	2,020	1,363	1,383	1,735	1,982	1,723	2,010
%*	6.9	5	27	29.6	46.1	19	20	20.9	22.1	23.6	25.5

Sources: *Statistics of Khabarovskiy Kaiy* (1990-1998) (Khabarovsk: Khabarovskiy State Board of Statistics, 1999), p. 81; *Khabarovskiy Kraiy in 2000, Statistical Yearbook* (Khabarovsk: Khabarovskiy State Board of Statistics, 2001), p. 40; Motrich H. L., Foreign Workers in of Khabarovskiy Kaiy/Economic Policy in the Russian Far East, papers of International Conference (Habarovsk: RIOTIP Press, 2001), p. 180; *Economic Situation of Khabarovskiy Kaiy. 1992-2002 Years* (Khabarovsk: Khabarovskiy State Board of Statistic, 2003), pp. 30-81.

A significant number of North Korean workers are working on Sakhalin Island and Amurskaya oblast. They are engaged in construction, agriculture, mining, logging, etc. Fishing and mining are the main fields of their work on Sakhalin. Every year about 200 North Koreans work on this Russian island.

Table 4. The Number of North Korean Workers at Amurskaya Oblast in 1995-2005

%* - of a total foreign workers in Khabarovskiy Kray											
Year	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Total	2,800	1,350	1,560	1,400	1,670	2,698	2,901	3,450	3,269	3,520	3,423
%*	72	35	42	40	46	71.7	69.6	53.6	35.4	34	33.6

Sources: V. Kudinov, *The Far Eastern Worker's Market, The District becomes a Market for Foreign Workers, The Far Eastern Capital* (Vladivostok, 2004), No. 11, p. 20.

At present, to receive good money is the main goal for North Korean workers in the Russian Far East. Sometimes they kill each other for money when they are going back home. As one can see, North Korean economic reforms have helped change North Korean people into pragmatists.

Nevertheless, North Korean people continue to live in a very bureaucratic and feudal society. There is one more thing that irks the Russian officials and businessmen about their North Korean workers. They demand that the Russians offer congratulation messages to Kim Jong Il on occasion such as every holiday, be it the New Year or the Day of the Creation of the Korean Workers' Party or the birthday of Kim Il Sung. As usual, the Russians tell them, "We couldn't care less but if you need it, bring the text and we will sign it."

Usually, North Korean Workers give the following reasons for why they come to Russia: "We are here to build friendship between Russia and the DPRK." Actually, the relationship is based more on money than friendship. It is built on a profitable, three-way arrangement: cheap labor for Russian construction firms, wages for desperately poor North Korean workers, and a trickle of revenues for the DPRK.

The main results of sending North Korean workers to the Russian Far East are bringing foreign currency into the DPRK and creating a middle class which is ideologically loyal to the North Korean ruling authorities.

“In the near future, the presence of North Korean workers in the Russian Far East is justified for political and economical reasons,” so said General Konstantin Pulikovskiy, the presidential representative to the Far Eastern Federal District of Russia.<sup>4</sup>

### **The Economic Cooperation between the DPRK and the Russian Far East: Proposals and Progress**

After the three high-level Russia-DPRK Summits of 2000-2002 there was an increase in the economic contacts between the Russian Far East and the DPRK. In 2003 the total volume of Russian Far Eastern-DPRK trade had doubled.

Besides this, there were exchanges by some economic delegations of the two sides. On April 15, 2002 high-ranking 14-member North Korean delegations arrived in the Russian Pacific port of Vladivostok, kicking off an eight-day tour around the Russian Far East in search of closer economic relations.<sup>5</sup>

The delegation, headed by North Korean Deputy Prime Minister Cho Chan Dok, sought to boost the once abundant ties that have all but deteriorated since the collapse of the Soviet Union, but have been on the mend in the past two years.

However, Mr. Cho said in a statement that North Korea worried about the lack of progress in the project to link the Trans-Siberian Railroad with the railway across the Korean Peninsula, which would provide a shorter and cheaper route for South Korean exports to Europe. “The implementation of the project has lately experienced an incomprehensible pause,” the statement said.

Outlining areas for more cooperation, it said the DPRK wanted to expand logging in Russia using the current arrangement, under

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<sup>4</sup> *ITAR/TASS*, February 5, 2003.

<sup>5</sup> <http://vl.vladnews.ru>, April 15, 2002.

which the DPRK sends its loggers to Russia and imports a portion of the logs they cut.

The DPRK proposals included increasing its construction and farming workforces in Russia. The DPRK authorities said it hoped to import some of the wheat that its workers would grow in Russia.

The statement also called on Russia to help further develop a coalmine in the northern republic of Yakutia, in which the DPRK wanted to invest \$2.8 million.

Besides this, it said the DPRK wanted an upgrade of its Soviet-built oil refinery with a subsequent increase of Russian oil supplies for it, up to 1.5 million metric tons per year. Moreover, Mr. Cho invited Russia to explore whether there are oil reserves on the North Korean sea shelf. Besides this, the DPRK authorities plan to take part in the exploitation of the Sakhanian oil deposit.

Russia should also consider using the DPRK's port of Rajin, mining ores such as zinc, copper and titanium, and starting joint ventures for processing sea food.

In October 2003, during the last visit to Pyongyang by Primorskiy Governor Sergei Darikin, there were negotiations about the lease of the Rajing port by Russia. Mr. Darikin hopes that the railway between Russia and Rajing would be in good working condition by 2004 and the refining of Russian crude petroleum would be performed via oil-refining facilities of the former Soviet Union.

Rajing can play the role of a strategic port in the Primorskiy area. At present, Moscow financial circles are reportedly showing an interest in the lease of this port. South Korean experts consider that "the Russia's lease of Rajing port may spark a delicate war of nerves between Russia and China,"<sup>6</sup> as China has recently expanded its power and influence on the Korean Peninsula. Nevertheless, Chinese private capital from Jilin province was more dynamic and grasped the

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<sup>6</sup> *KOTRA*, Osaka, December 10, 2003.

initiative: at the end of 2005 they leased the Rajing port for 49 years.

One of the results of Kim's official visit to Moscow was a Russian promise to supply power from the Far East to North Korea. In the beginning of December 2001 this issue was discussed in the Vladivostok's meeting attended by a North Korean mission headed by the Deputy Minister of the Ministry of Power and Coal Industries and the representatives from both the Russian power company and the Vostok energy company.

During the meeting, protocols were exchanged between the North Korean mission and the Vostok energy company and the Russian scheme for supplying 2-4% of available power of Primorye to North Korea in the initial stage was discussed. It also came to light that the contemplated supply of power would require installation of distribution lines between North Korea and the southern part of Primorye and additional voltage transformers.

Victor Mianakov, acting president of the Vostok energy company, emphasized in the meeting that in order to realize the supply of power to North Korea, the relevant budget for construction of the infrastructure for power transmission should be earmarked first and that the project should be executed in a mode to achieve the mutual interests of both countries. Mianakov further made it known that the Russian power company would call the second meeting between the two parties in Vladivostok soon to discuss working-level matters and technical issues.

The Russian side disclosed that it regarded the project very workable and was planning to construct the energy infrastructures for distribution of energy to North Korea and also to China in the long term. The survey, however, has revealed that this long-term plan would definitely require Russia building additional hydroelectric power plants and to expand associated infrastructure for the expansion of power generating capacity.

It has been learned that the aggravated power shortage in North

Korea is one of its most threatening economic problems and owing to its obsolete power plant facilities coupled with its fuel shortage, the power being generated now barely reaches 20% of its capacity. It seems Russia's power supply scheme, surfacing amid exchanges between North Korea and Russia gradually picking up since the 2001 summit meeting between the two countries, could help Russia in holding the steering wheel in its negotiations with North Korea for other projects including the Trans Siberian Railroad connection project.

In reality, however, Primorye does not have enough power supply for its own demands so that in the last few years, the Russian Far East experienced a great setback in its power supply in winter and suffered a power crisis. Under such circumstances, it remains to be seen whether Russia can supply a substantial amount of power to North Korea without first expanding its power generating capacity.<sup>7</sup>

The second meeting between experts of the Russian power company and the North Korean Ministry of Power and Coal Industries was held in Vladivostok in April 2002. Working-level matters and technical issues were discussed. Because of Primorye's electric power shortage, both sides failed to come to an agreement on the point.

As part of widening cooperation with the DPRK, the Primorye fishing company Dalmoreproduct, which is the main fish food producer in the Russian Far East, reported that it had signed a contract to start from November 2001 repairing the automotive strip on the Korean side of the single rail and a truck bridge connecting the two nations.<sup>8</sup>

The truck lane on the Friendship Bridge across the Tumen River is laid with railway ties which have long been worn out and

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<sup>7</sup>Kim Sam-sik, "Russia to supply power of the Far East to North Korea," *KOTRA*, Vladivostok, December 6, 2001.

<sup>8</sup><http://vl.vladnews.ru>, November 1, 2001.

Dalmoreproduct, or DMP, plans to replace them. The company has already completed some work on the bridge which stretches some 900 meters. Starting in January 2001, its construction division repaired all 90 meters on the Russian side and the 50 meters of the approaching passage. Encouraged by prospective joint business with the fishing company, the DPRK agreed to finance DMP for the renovation of the longer Korean span of the structure.

The Friendship Bridge will be relied on for the transportation of canned fish to Russia that a North Korean cannery will be producing for DMP, starting in 2001. The company intends to haul the cans by trucks, which is less expensive than by rail, he said. The single-track railway running on the bridge next to the truck lane will not be covered by repairs.

According to the contract, DMP will supply the cannery in the town of Siphon with various fish, for example, herring and cans. It has already shipped 400,000 cans of 220-gram capacity to wait for the commencement of fish supplies.

On the whole, the fishing giant, which operates 96 ships, heads for an expansion of business ties with North Korea, a longtime trading partner in Soviet times. The drive received additional impetus after President Vladimir Putin's visit to the country in 2000 and is also feeding on the hopes of unification of the two Koreas.

Dalmoreproduct's collection of contracts with the communist nation for this year includes an agreement with Tevesusan, an association for foreign fisheries, for the refrigerating and marketing of 5,000 metric tons of seaweed. North Korean fishing boats will collect the sea-borne plant in their economic zone and deliver it to the Rybak Vladivostok factory ship for freezing. DMP will then sell the seaweed in Russia and Japan, paying its North Korean partner 30 percent of the profits.

Another Dalmoreproduct ship will use the same financial arrangement to catch 3,000 tons of squid in North Korean waters.

From August through October, ships of the two countries are scheduled for a joint trip to fish Pacific sardines off the Kuril island of Shikotan.

There are also projects which are still awaiting signing. In many of them, DMP likewise focuses on exploiting the largely unharvested fish resources, including crab, in the neighboring nation.

“North Korean ships don’t have much capacity. Their few ships are all old,” said DMP officials. “They are able to catch only 15 percent of their quotas of fish in Russian economic waters. We could use their quotas [fishing licenses] to catch, process and sell fish.” DMP is offering 10 percent of sales receipts to the licensor for crabs while for the rest of the fish it is ready to pay 30 percent of the earnings.

The Russian regional authorities are enthusiastic about sending local boats to fish abroad, saying fish stocks in the Russian Far East are sufficient to employ only half of Primorye’s fishing fleet. “That’s why we welcome any opportunity for our ships to take part in fishing off the coasts of foreign states,” said Ilya Ivanov, deputy head of the region’s fisheries committee.

Nevertheless, according to Viktor Tikhomirov, Deputy Director of Primorye regional administration’s international relations department, Dalmoreproduct is the region’s only company to currently have business with the country that largely remains in self-imposed isolation.

Boris Sharapov, head of the international relations department at Dalryba fishing company, said most other companies are not adequately equipped to form similar agreements while DMP’s assets are huge. For one, only a corporation such as DMP can afford to run squid boats since squid season lasts only a few months, with the boats having to be idle the rest of the year.<sup>9</sup>

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<sup>9</sup>L. V. Zabrovskaya, *The DPRK in the Age of Globalization: From the Hermit Life to the Openminded* (in Russian) (Vladivostok: PCSR, 2006), pp. 90-91.

Dalmoreproduct's other plans for cooperation include equipping a fish processing plant in Radjin coupled with the extending of the plant's pier and deepening of the harbor where it stands. DMP would also like to build a facility in the DPRK for repairing of its fishing outfit, expand the practice of repairing its ships there and finally use the country as a destination for pleasure trips for its employees.

## **Conclusion**

As one can see, the DPRK is not an economically isolated country and continues to preserve economic contacts not only with China, but with other ex-socialist states, and with Russia most of all. During recent years, Russia and the DPRK have strengthened their local economic contacts, which touch on many subjects such as sending North Korean workers for work in the Russian Far East, economic cooperation between Russian and North Korean firms in fishing and fish food production, construction, logging, etc.

Both countries have experienced severe internal economic problems. Therefore, they lack the financial means for making investments in mutual projects. There are very few Russia-North Korean joint ventures.

The Russian authorities do not demonize the DPRK nor its foreign policies and respect North Korean rights to strengthen their defense capabilities, to preserve their sovereignty and independence. All this has a strong influence on Russia-North Korean economic relations. Russia will continue to send humanitarian help to the DPRK. There are many complimentary ways to rebuild traditional economic ties between Russia and the DPRK.

# *The Foundation of the MAC and the NNSC and the First Turbulent Years*

*Gabriel Jonsson*

## **Abstract**

The Korean War (1950-1953) ended with an Armistice Agreement containing provisions on how to implement it through a Military Armistice Commission (MAC) and supervise it through a Neutral Nations Supervisory Commission (NNSC). However, implementation and supervision were hampered by mutual distrust. Inspections of military forces were difficult to make, especially in North Korea. Consequently, the United Nations Command (UNC) cancelled the armistice's provisions on supervision in 1956. To achieve military balance, the UNC also cancelled the prohibition of rearmaments in 1957. The NNSC's mandate was greatly reduced but the Commission nevertheless still contributed significantly to the securing of peace. In contrast to the case prior to the implementation of the NNSC, after the events of 1956-1957, both the North and the South wanted the NNSC to remain in place.

**Key Words:** Armistice Agreement, MAC, NNSC, inspections, peace

The starting point of this study is the 1953 Armistice Agreement (AA). In particular, the paragraphs defining the tasks of the Military Armistice Commission (MAC) and the Neutral Nations Supervisory

Commission (NNSC) are presented at first and in some detail. This is followed by an account of the Commissions' work between 1953 and 1956 with an emphasis on three issues.

First, what was the legacy of the Korean War (1950-1953)? Second, were the Armistice's provisions followed or not? Thirdly, how did the policies pursued by North Korea, China, South Korea and the United States affect the Commissions' work? These issues are investigated on the basis of the parties' policies and their interactions.

Since the implementation of the Armistice Agreement was affected by the political environment in which it took place, the following sections deal more in detail with the impact of the relations between the major combatants upon the Commissions' work. As in the previous paragraph, consideration is also given to how the composition of the NNSC affected its work.

## **The Foundation and Organization of the MAC and the NNSC**

The Korean War ended with an Armistice Agreement signed by North Korea for the Korean People's Army (KPA) and the Chinese People's Volunteers (CPV) and the United States for the United Nations Command (UNC) on July 27, 1953. The Armistice Agreement stipulated the establishment of a Military Demarcation Line (MDL). A Demilitarized Zone (DMZ) would be established through the withdrawal of both sides to within two kilometers from this line. The DMZ would serve "...as a buffer zone to prevent the occurrence of incidents which might lead to a resumption of hostilities." According to Paragraph 6, "Neither side shall execute any hostile act within, from, or against the demilitarized zone." According to Paragraph 10, no more than 1,000 persons were allowed to enter either side of the zone at any one time "...for the conduct of civil administration and relief..." Additionally, "The number of civil police

and the arms to be carried by them shall be as prescribed by the Military Armistice Commission.”

A Military Armistice Commission (MAC) was set up “...to supervise the implementation of this Armistice Agreement and to settle through negotiations any violations of this Armistice Agreement.” More specifically, “When the Military Armistice Commission determines that a violation of this Armistice Agreement has occurred, it shall immediately report such violation to the Commanders of the opposing sides.” The MAC would “supervise the carrying out of the provisions of this Armistice Agreement pertaining to the Demilitarized Zone and to the Han River Estuary” through its ten Joint Observer Teams.

The MAC would be “...authorized to request the Neutral Nations Supervisory Commission to conduct special observations and inspections at places outside the Demilitarized Zone where violations of this Armistice Agreement have been reported to have occurred.” The MAC would have ten senior officers, five of whom to be appointed by the Commander-in-Chief of the UNC and five jointly by the Supreme Commander of the KPA and the Commander of the CPV. Three of the five members from each side should “...be of general of flag rank.” The other two “...members on each side may be major generals, brigadier generals, colonels, or their equivalents.”<sup>1</sup>

A Neutral Nations Supervisory Commission (NNSC) was established “...to carry out the functions of supervision, observation, inspection and investigation, as stipulated in Sub-paragraphs 13(c) and 13(d) and Paragraph 28 hereof, and to report the results of such supervision, observation, inspection and investigation to the Military Armistice Commission.” The MAC would in turn transmit the reports

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<sup>1</sup>Columbia University, *Text of the Korean War Armistice Agreement*, <http://news.findlaw.com/scripts/printerfriendly.pl?page=/hdocs/docs/korea/kwarmagr072753.html>. Paragraph 1, 6, 10, 19, 20, 23(a), (b), 24, 25(d), (e), (f), 26, 27, 28, 29, 41.

“...to the Commanders of the opposing sides...” More specifically, the NNSC would:

“Conduct, through its members and its Neutral Nations Inspection Teams, the supervision and inspection provided for in Sub-paragraphs 13(c) and 13(d) of this Armistice Agreement at the ports of entry enumerated in Paragraph 43 hereof, and the special observations and inspections provided for in Paragraph 28 hereof at those places where violations of this Armistice Agreement have been reported to have occurred.”

The NNSC should have four senior officers, two of whom would be appointed by neutral nations nominated by the UNC, that is Sweden and Switzerland, and two by the neutral nations nominated by the KPA/CPV, that is Poland and Czechoslovakia. The term “neutral nations” refers to “...those nations whose combatant forces have not participated in the hostilities in Korea.”

Paragraph 13(c) prohibited “...the introduction into Korea of reinforcing military personnel...” But “...replacements of units or personnel by other units or personnel who are commencing a tour of duty in Korea...” would be permitted. Such rotation would take place “...on a man-for-man basis...” The rotation policy permitted “...no more than thirty-five thousand (35,000) persons in the military service...” to enter into either North or South Korea in any month. “Reports concerning arrivals in and departures from Korea of military personnel...” had to be made daily by “...the Commander of the opposing sides...” to the MAC and the NNSC, including “...places of arrival and departure and the number of persons arriving at or departing from each such place.”

The NNSC should through its Neutral Nations Inspection Teams (NNITs) “... conduct supervision and inspection of the rotation of units and personnel authorized above, at the ports of entry enumerated in Paragraph 43 hereof.” The ports of entry where teams would be stationed were in the North Sinuiju, Chongjin, Hungnam, Manpo and

Sinanju and in the South Inchon, Taegu, Pusan, Kangnung and Kunsan. The teams would “...be accorded full convenience of movement within the areas and over the routes of communication set forth on the attached map (Map 5).”<sup>2</sup>

Paragraph 13(d) prohibited:

“...the introduction into Korea of reinforcing combat aircraft, armored vehicles, weapons and ammunition; provided however, that combat aircraft, armored vehicles, weapons and ammunition which are destroyed, damaged, worn out or used up during the period of the armistice may be replaced on the basis piece-for-piece of the same effectiveness and the same type.”

To justify such replacements, “...reports concerning every incoming shipment of these items shall be made to the MAC and the NNSC...” Moreover, “...the disposition of the items being replaced” had to be stated. The NNSC should through its Inspection Teams “...conduct supervision and inspection of the replacement of combat aircraft, armored vehicles, weapons and ammunition authorized above, at the ports of entry enumerated in Paragraph 43 hereof.”

In order to implement its tasks, the NNSC would be “...provided with, and assisted by, twenty (20) Neutral Nations Inspection Teams...” that would have four officers, of which half from each side. Paragraph 11 guaranteed the MAC and the NNSC “...complete freedom of movement to, from, and within the Demilitarized Zone...”

The MAC should “locate its headquarters in the vicinity of Panmunjom...” whereas the NNSC should “locate its headquarters in proximity to the headquarters of the Military Armistice Commission.” Panmunjom had been the name of a village where the armistice was originally negotiated. It was located in North Korea’s part of the DMZ when the MDL was drawn. Since the UNC repeatedly requested a relocation of the MAC conference site on the MDL, North Korea

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<sup>2</sup>Columbia University, *ibid.*, Paragraph 13(c), 25(g), 36, 37, 41, 42(c), (e), 43.

agreed to relocate it to Kanmandong village located astride the MDL. The official name of the MAC conference area, which was established in October 1953 and comprises about 800 meters in total diameter, is the Joint Security Area but it is far more commonly known and referred to as Panmunjom.<sup>3</sup>

### **“A Mission Impossible” 1953–1956**

At first glance, the Armistice Agreement seems to be a balanced and reasonable document, however, it would soon turn out to be difficult to implement. Ten of the 20 NNITs had the task to inspect the only ten places where military personnel and equipment could be transferred and entered through ports, airports and railway stations. There were also ten mobile inspection teams (MITs) stationed in Panmunjom for ad hoc inspections.

Due to the high number of inspection teams, the Swedish delegation first had 75 members. The Swiss delegation had 96 members whereas the Czechoslovak and Polish had 300 men each: Czechoslovakia and Poland wanted to take care of supply services and communications themselves instead of relying on support from the parties to the Armistice Agreement, as Sweden and Switzerland did. The first meeting was held on August 1, 1953. Daily meetings were held throughout August but from February 1954 meetings were then reduced to every second day, after the most complicated procedural matters had been solved. Since June 1954, meetings were held at least once a week, with the presidency rotating.

The inspection teams that were dispatched to North Korea in

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<sup>3</sup>Columbia University, *ibid.*, Paragraph 11, 13(d), 25(a), 40(a), (b), 42(a); James Lee, “History of Korea’s MDL & Reduction of Tension along the DMZ and Western Sea through Confidence Building Measures between North and South Korea,” in Kim Chae-han (ed.), *The Korean DMZ - Reverting beyond Division* (Seoul: Sowha Publishing Co., 2001), pp. 106-107, 308-309.

August were prevented from undertaking their tasks, in violation of the Armistice Agreement. According to the Swiss Colonel Urs A. Mueller-Lhotska (1997), only the Manpo railway station and the Sinuiju port "...showed a limited traffic." "Controls were only possible if announced two hours in advance; checking was done on the basis of transports announced by the North Korean authorities because original documents could not be examined." Consequently, surprise inspections could not be made. Additionally, "The results of the "prepared" inspections - some four transport trains were checked weekly at Manpo - were always in precise conformity with the data reported by North Korea." In the port city Sinanju where traffic had been inactive since the Armistice Agreement had been signed, the teams' only task had been in his words to "show the flag."<sup>4</sup>

The account of Sven Grafström, head of the Swedish NNSC delegation, from Sinuiju on November 12, 1953 well illuminates the difficulties: "...as little happens in Sinuiju as in the other ports of entry in the North." At the inspection of the railway station by the whole inspection team, consisting of around 30 persons with interpreters and liaison officers, they saw a large number of boxes with apples. As head

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<sup>4</sup>Sydney Bailey, *The Korean Armistice* (New York: St. Martin's Press, 1992), p. 172; Jean-David Bettex, "Die Geschichte der neutralen Ueberwachungskommission (NNSC) für den Waffenstillstand in Korea (1953-1983)" [The History of the Neutral Nations Supervisory Commission (NNSC) of the Armistice Agreement in Korea (1953-1983)], in Kyung Hee University: Center for Asia-Pacific Studies, *The Swiss Delegation to the Neutral Nations Supervisory Commission in Panmunjom (Korea) 1953-1993* (Seoul: Handa Prints, 1993), pp. 18, 22; Magnus Bruzelius, "Korea - krig och stillestånd: Svenska insatser 1950-1978" [Korea - War and Armistice: Swedish Contributions 1950-1978], *Jorden Runt*, Vol. 50, No. 11 (1978) p. 599; Försvarets Läromedelscentral, *Historik över de neutrala ländernas övervakningskommission i Korea* [A History of the Neutral Nations Supervisory Commission in Korea] (Försvarets Läromedelscentral, n.p., 1985), pp. 22-23; Sven Grafström, *Anteckningar 1945-1954* [Minutes 1945-1954] (Stockholm: Gotab Stockholm, 1989), p. 1123; Walter Knüsli, "Die Schweizer Korea-Mission" [The Swiss Mission in Korea], in Kyung Hee University, *ibid.*, pp. 126-127, 129, 130; Urs A. Mueller-Lhotska & Allan R. Millett, *Swiss Mission to Korea in the Change of Times 1953-1997* (Zurich and Prague: Transslawia, 1997), pp. vii, 24, 28, 33.

of the delegation, he then expressed his team's wish to pass the bridge over the Yalu river as tourists but were refused twice with the same reasons being given: "it is a border here." At the end of the inspection at the second railway station, they saw scrap at the platform and in open railway wagons. At other places, there was no traffic at all. Announced land transports to the ports of entry were controlled. The North was also slow in providing information. Due to these circumstances, it is not surprising that the Swedish delegate at the 37<sup>th</sup> NNSC meeting said, "In the North, the inspection teams have seen and heard nothing." Consequently, the UNC's confidence in the NNSC fell.

According to the former international relations advisor of the UNC/MAC, James M. Lee (2001), there was "... strong evidence that North Korea had shipped illegal weapons, military aircraft, through places other than the designated ports of entry in North Korea." Moreover, "...the NNSC, which was established as proposed by North Korea and China in lieu of the MAC inspection, turned into a defunct agency [within] less than a year due to the sponsors' subterfuge and obstructions." Under such conditions, only four of the ten mobile teams were brought into action from the 27<sup>th</sup> of July until the end of 1953. Subsequently, the number of mobile teams was reduced from ten to six, following a Swiss proposal presented by the NNSC to the MAC.<sup>5</sup>

Whereas scholars agree that inspections could not be made in North Korea, opinions are more divided on inspections in South Korea. Försvarets Läromedelscentral (Textbook Center of The [Swedish] National Defence Force) writes (1985), "The southern side reported quickly and probably fairly." However, it also points out that the Syngman Rhee government from the beginning had a negative

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<sup>5</sup>Bettex, *ibid.*, p. 18; Bruzelius, *ibid.*, p. 599; Grafström, *ibid.*, p. 1185; Lee, "History of Korea's," pp. 79, 117; and Mueller-Lhotska & Millett, *ibid.*, p. 27.

opinion of the NNSC which it did not regard as a neutral organization.

According to Mueller-Lhotska (1997), in South Korea inspections took place and reports were made on the massive UN troop rotations and the replacements of combat material for the armed forces to the UNC/MAC, in accordance with the Armistice Agreement. However, he also notes that in spring 1954 the issues of evaluation, the engagement of mobile inspection teams and differences between inspection routines in the North and the South led to permanent controversies within the NNSC, making the Commission's work even more complicated. The Swedish-Swiss efforts to implement unified inspection routines in accordance with the Armistice Agreement had failed: the work had become entirely dependent on the information that North and South Korea chose to supply. From April 1954 onwards restrictions similar to those that had been implemented in the North were imposed also in the South. No original documents were shown any longer and inspections of rotation of personnel could only be made following applications: "...the NNSC was deprived, in the South as well, of its active and independent role in supervising the Armistice Agreement."

According to Grafström, in November 1953 the UNC/MAC was notoriously careless in handling reports dealing with the bringing in and out of combat materials. Cooperation between the UN liaison officers and the inspection teams did not work well. Consequently, it was particularly difficult for the Swedish and Swiss NNSC teams to evaluate the statistics.<sup>6</sup> That the teams faced restrictions in both Koreas shows that both Koreas were suspicious towards the NNSC and of each other, making it difficult to implement the Armistice Agreement. The war's legacy was mutual distrust.

Besides the difficulties caused by the restrictions imposed on

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<sup>6</sup> Bettex, *ibid.*, p. 18; Försvarets Läromedelscentral, *Historik över*, p. 23; Grafström, *ibid.*, pp. 1190-1191; and Mueller-Lhotska & Millett, *ibid.*, pp. 28-29.

inspections, the NNSC suffered from internal conflicts. The first internal conflict occurred already, after the KPA/ CPV on August 24, 1953, had requested the engagement of a mobile inspection team with officers from all member nations. The task was to clarify in three prisoners' camps in South Korea an alleged obstruction of the North Korean Red Cross Delegation by the UNC/MAC. Since the NNSC could not reach any agreement on the investigation outcome, no joint report was submitted to the MAC.

On October 12, 1953 the UNC/MAC requested the NNSC to send a mobile inspection team to Uiju (now Sinuiju) airport. The purpose was to investigate the intelligence received immediately after the armistice had been signed that North Korea had secretly put jet fighter planes in transport containers and brought them into its territory. The Czechoslovak and Polish members asked how such a transport had been possible and refused to dispatch an investigation team.

They argued that one side could reject a dispatch of mobile inspection teams but such a view was a clear violation of the Armistice Agreement. Although the NNSC held several meetings at the request of the UNC/MAC Senior Member, since Czechoslovakia and Poland one-sidedly supported North Korea, the dispatch was delayed. Prior to the dispatch, a complaint from the Czechoslovak and Polish members on a formal mistake in the request was refuted by having the original wording immediately investigated. However, when the team finally inspected Uiju airport but not its environment, no containers with fighter planes that, according to Mueller-Lhotska (1997) were Russian MIG airplanes, were found.

The Swiss member then declared that an investigation was needed to find out whether the fighter planes had been there since the war had been brought in after the armistice had been enforced and asked the air base commander to show the aviation journal but was immediately refused. The Czechoslovak representatives suggested

that the NNSC should submit a joint report to the MAC that the fighter planes had been there even during the war but Sweden and Switzerland refused to meet this demand. Consequently, in spite of jointly made conclusions no report was elaborated to the MAC.<sup>7</sup>

Considering the difficulties in conducting its work and the internal tensions involved, it is not surprising that the Swedish representative at the 105<sup>th</sup> NNSC meeting held on February 17, 1954 was unable to let the Czechoslovak and Polish representatives' one-sided and improper acts pass unnoticed and complained:

“Under what circumstances should the NNSC dispatch mobile inspection teams to territory under the control of North Korea to investigate violations of the Armistice Agreement? Should dispatches be made only if North Korea admits violations of the agreement? If so, it would be correct to cancel Paragraph 28 that clearly states the functions and tasks of the NNSC mobile inspection teams.”<sup>8</sup>

Although it is indisputable that North Korea violated the Armistice Agreement by restricting the NNIT's work, it must be noted that also the UNC/MAC violated it as well. After the Armistice Agreement had been signed, it was agreed already at the third MAC meeting held on July 30 that military police would be used in the DMZ instead of civilian police that in contrast was, as we have seen, permitted according to Paragraph 10. At the fourth meeting held on July 31, it was agreed, “...that civil police would be armed only with rifles and pistols,” but automatic rifles were not included. Subsequently, both sides began to continuously bring in so-called DMZ police to the zone. They were not police but combat personnel wearing armbands:

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<sup>7</sup>Försvarets Läromedelscentral, op.cit., p. 23; Lee, “Segye-eso kajang mujanghwatoen ‘pimujang chidae’: Panmunjom-en ‘simpan’-i optta” [The World's Most Militarized ‘Demilitarized Zone’: There is no ‘judge’ at P’anmunjôm], [http://www.donga.com/docs/magazine/new\\_donga/9806/nd98\\_060160.html](http://www.donga.com/docs/magazine/new_donga/9806/nd98_060160.html), pp. 6-7; and Mueller-Lhotska & Millett, *ibid.*, pp. 26-27.

<sup>8</sup>Lee, *ibid.*, p. 7.

finally, in this way, the DMZ came to lose its real meaning. Subsequent to these developments, combat soldiers entered the zone.

From the summer of 1959, North Korea first began to fortify its checkpoints in the DMZ. As of 1965, most checkpoints had become fortifications. The UN Commander responded with [non-exemplified] self-defensive measures. Such a development could not be legally prevented: whereas the Armistice Agreement defines the obligation of general demilitarization, there are no concrete provisions prohibiting installation of military facilities in the DMZ. The border between what is allowed and forbidden is unclear: many combat campsites and concrete barriers, etc., have been established.<sup>9</sup> Additionally, the militarization of the DMZ indicates that mutual distrust played a major role in undermining the implementation of the Armistice Agreement.

Besides the inspection issue, internal tensions within the NNSC and mutual distrust, developments after the Korean War were affected by the negative American opinion of the Commission. Not surprisingly, the United States expressed a sceptical opinion of the Commission's composition immediately after the Armistice Agreement had been signed: Czechoslovakia and Poland were, as satellite states of the Soviet Union, seen to be obstacles to its military activities.

According to the American scholar Fred Charles Iklé (1999), the United States had placed great hopes on the NNSC during the armistice negotiations: it was considered "...an essential element of the armistice agreement that they had to win in order to prevent North Korea from violating the prohibitions against an arms build-up." Additionally, "The Neutral Nations Supervisory Commission was

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<sup>9</sup> Jhe Seong-Ho, "Chongjon hyopchong-e kwanhan yon'gu - kinung chongsanghwa-mith silhyosong hwakbo pangan-ul chungsim-uro" [A Study on the Korean Armistice Regime - With Emphasis on a Plan to Normalize Its Functions and Secure Effectiveness], *Chollyak yon'gu*, Vol. 11, No. 1 (2004), p. 100; Lee, *ibid.*, pp. 1, 14-15; *op.cit.*, pp. 271, 272.

meant to make sure that the hard-won peace in Korea would last.” However, the NNSC soon turned out to be to the Americans “worse than useless.” “It could do nothing about North Korea’s arms build-up in violation of the truce agreement, but it inhibited the US response.” The NNSC “...was neither neutral (because Communist Poland and Czechoslovakia together had half the votes), nor supervisory (because the North Koreans could easily block all relevant access).”<sup>10</sup>

Iklé’s view concurs with Lee who writes (2001): “... the NNSC from its foundation has never been a truly neutral body.” Another weakness has been the absence of a “...referee for any decision making.” In his words:

“The Czech[Czechoslovak]/Polish delegations openly supported the North Korean and Chinese communists side, doing everything in their power to hamper proper function and operation of the NNSC. They regularly vetoed proposals for inspections and investigations in North Korea, whereas they often conducted intelligence collection activities in the ROK [Republic of Korea] which is completely outside the purview of the NNSC.”

Lee also refers to the 68<sup>th</sup> MAC meeting held on February 14, 1956 when the UNC/MAC Senior Member remarked, “...the evidence accumulated by our side over a period of more than 29 months indicated clearly, and without dispute, that the value of the inspection teams (NNITs/MITs) has been completely, willfully and systematically destroyed by the Czech [Czechoslovak]/ Pole [Polish] delegations...” He quoted the Swedish NNSC Member General Paul Mohn who was of the opinion that the NNSC “should apply one system of inspection

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<sup>10</sup>Iklé, “The Role of Emotions in International Negotiations,” in Berton, Peter, Kimura, Hiroshi and Zartman, I. William, *International Negotiation: Actors, Structure/Process, Values* (New York: St. Martin’s Press, 1999), pp. 337-338; Pak Tae-kyun, “1950 nyondaemigug-ui chongjon hyopchong ilbu chohang muhyo sonon-gwa ku uimi” [The United States Non-valid Declaration of Certain Provisions of the Armistice Agreement in the 1950s and its Significance], *Yoksa pipyong*, No. 63 (2003), pp. 43-44.

in North Korea and another in South Korea.” Although an interpreter from the Polish team had fled to the US on September 9, 1953, the American opinion was that both delegations carried out activities, including espionage that harmed the UN.<sup>11</sup>

The inspection issue, internal tensions, mutual distrust and negative American and South Korean views of the Commission thus greatly affected it during its first years. Throughout 1954-1955, North Korea’s military build-up was the major factor affecting developments, although the North asserted that it had followed Paragraph 13(d) prohibiting rearmaments and that no material had been brought in from abroad.

The UNC/MAC’s opinion was that it “...had loyally followed the provisions of the Armistice Agreement and therefore had units with obsolete equipment while the North’s units had been greatly strengthened due to the lack of control to the north of the DMZ.” In 1954, the South Korean government accused North Korea that, since the NNSC had been unable to conduct inspections in the North, the risk that rearmaments would destroy the power balance was high. The policy was supported by the whole National Assembly. Consequently, South Korea and the United States wanted to dissolve the NNSC and cancel the Armistice Agreement to be free to modernize their combat forces and restore the military balance. However, the South Korean-American position was rather contradictory: on October 1, 1953 they had signed a Mutual Defense Agreement that obligated the United States to provide for South Korea’s defense in the event of external armed attack and guaranteed permanent stationing of American troops. Weapons and equipment were also brought in.<sup>12</sup>

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<sup>11</sup> Bailey, *The Korean Armistice*, p. 176; Lee, “Segye-eso,” p. 6; op.cit., p. 117; Pak, *ibid.*, p. 44.

<sup>12</sup> Bruzelius, “Korea - krig och stillestånd,” pp. 599-600; Choi, “Nambuk kunsajok habui-wa Han’guk chongjon hyopchong-ui hyoryok” [Korean Armistice Agreement. Dead or Alive? - From the View Point of South and North Korean Subsequent

The problems evident in the period between August 1954 and July 1955 were largely due to the difficulties for the NNSC in conducting its work, overshadowing all this was the issue of its dissolution. However, already in April 1954, the Swedish General Paul Mohn had strongly advocated the abolition of the Commission. In the United Nations General Assembly's Political Committee, the Swedish UN Ambassador declared on December 3, 1954 that Sweden may have to reconsider its participation in the NNSC unless the Korean question was resolved soon. In his words:

“For a small country like Sweden, an indefinite prolongation of our supervisory task creates substantial administrative and other difficulties and it does not seem particularly satisfactory to man such a broad supervisory mechanism with a large number of qualified people, when it is impossible for them to implement the task, that such a body naturally is expected to do.”<sup>13</sup>

The Czechoslovak and Polish members protested vehemently against the statement at the meeting held on December 8: their opinion was that the Commission was a body that now could make decisions on all important issues. The purpose was to underline the view that the NNSC must not be dissolved. At this time, the UNC/MAC did not show much interest in the Commission whereas the KPA/CPV gradually had shown more and more appreciation.

Around New Year 1954-1955, the South Korean chief of police encouraged Czechoslovak and Polish NNSC members to leave the country “peacefully” since their personal safety could not be guaranteed. At the same time, the UNC/MAC had announced that traffic at three

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Agreement], *Songgyungwan pophak*, Vol. 16, No. 2 (2004), p. 495; Försvarets Läromedelscentral, op.cit., p. 24.; Lee, *ibid.*, p. 7; Kenneth Quinones, “South Korea’s Approaches to North Korea,” in *Korean Security Dynamics in Transition*, Park Kyung-Ae and Kim Dalchoong (eds.) (New York: Palgrave, 2001), p. 22.

<sup>13</sup>Bailey, op.cit., p. 176; Försvarets Läromedelscentral, *ibid.*, pp. 23-24. Original quotation marks.

ports of entry in the South would end. On January 31, 1955 the UNC Commander proposed to the US Ministry of Defense that since the NNSC severely obstructed the UNC's military activities, the Commission should be abolished.<sup>14</sup>

Within the NNSC, Sweden and Switzerland supported the US-South Korea proposal to dissolve it but the argument relied upon was that the Commission was inefficient and therefore unnecessary. Due to the growing difficulties in performing its tasks, Sweden was willing to leave the NNSC in 1956: after 1953, it had in the words of Mr. Sven Juhlin, Head of the Swedish NNSC delegation March 1998-June 1999 (2000), become "a mission impossible." However, both countries opposed the American policy to persuade them to leave the NNSC: the opinion was that the voluntary withdrawal on American terms would cause tensions in their relations with communist countries, not least China and the Soviet Union. Instead of reducing the NNSC's activities, they suggested endowing the MAC with a greater role. In spite of American pressure through the Swedish Embassy in the United States, Sweden and Switzerland refused to withdraw.

Instead, it was decided to reduce the inspection teams by one in both North and South Korea. On the other hand, China and North Korea wanted both the NNSC and the Armistice Agreement to remain and were supported in this by the Soviet Union, Poland and Czechoslovakia: the status quo would make it possible to exert influence on developments in the South. In fact, at this time it was possible to simultaneously point out "the clearly stated aggressive South Korean plans to unify Korea by military force" and enabled praise of itself as "the truly peace-loving people that in cooperation with the Neutral Nations worked for a final solution of the Korean

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<sup>14</sup>Bailey, *op.cit.*, pp. 174-175; Choi, "Nambuk kunsajok," p. 44; Försvarets Läromedelscentral, *ibid.*, p. 24. "Peacefully" is quoted from Försvarets Läromedelscentral, *ibid.*, p. 24.

issue.”<sup>15</sup>

## **NNSC Inspections End in 1956**

As we have seen, it had become increasingly difficult for the NNSC to conduct its work since 1953. On May 31, 1956 the Senior Member of UNC/MAC, General Robert G. Gard, declared at the 70<sup>th</sup> MAC meeting that the validity of all provisions in the Armistice Agreement “... regulating the activities of the NNSC and its Inspection Teams in South Korea, was suspended.” Paragraph 13(c) on rotation of military personnel, Paragraph 28 on inspections of reported violations of the Armistice Agreement outside the DMZ, Paragraph 42(c) on supervision and inspection by NNITs of reported violations at the ports of entry and outside the DMZ and, finally, Paragraph 43 on the freedom of movement of personnel stationed at the ports of entry were suspended. However, Paragraph 13(d) prohibiting introduction of combat material for rearmament would continue to be observed.<sup>16</sup>

He ordered in a letter the inspection teams in Inchon, Pusan and Kunsan to withdraw within ten days. These extraordinary measures were “...justified by violations of the Armistice Agreement by the North and the obstructive attitudes of the Polish and Czechoslovak NNSC representatives,” but no references were made to the above restrictions imposed by the UNC/ MAC. On the contrary, he writes, “The United Nations Command, on the other hand, has faithfully observed the provisions of the Armistice Agreement, and has fully cooperated in the inspections made by the NNSC teams in the territory under United Nations Command control.” Since the Armistice

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<sup>15</sup>Försvarets Läromedelscentral, *ibid.*, p. 25; Juhlin, “NNSC och dess förändrade roll under 1990-talet” [The NNSC and Their Changed Role During the 1990s], lecture at Stockholm University, March 22, 2000; Pak, “1950 nyondae,” p. 45. Original quotation marks.

<sup>16</sup>Mueller-Lhotska & Millett, *Swiss Mission*, p. 36.

Agreement had gone into effect in June 1955, the North had submitted 162 combat material reports that "...still notably omit all references to aircraft and compare unfavorable with the 1,969 reports submitted by the United Nations Command during the same period."

He asserted that the NNSC had failed to conduct its work due to the non-cooperative attitude of the KPA/CPV in the North and the unhelpful activities of the Czechoslovak and Polish teams in the South. In the North, the Czechoslovak and Polish teams had vetoed the UNC/MAC's proposals for inspections or had cooperated with the northern side in disabling inspections. North Korea's Senior Member in the MAC sharply protested at the UNC/MAC's ultimatum, but wishing the NNSC to remain, declared his agreement to a temporary withdrawal of the fixed inspection teams to Panmunjom. At the MAC meeting held at the June 4 North's request, the northern representative attacked the UNC/MAC for alleged violations of the Armistice Agreement and demanded a withdrawal of the statement made on May 31. The response given was that the UNC/MAC continued to work to obtain the cooperation of the North in implementing the Armistice Agreement.

The previous request to the North to provide the MAC and the NNSC with corrected reports on the introduction of combat material and combat aircraft since 1953 to immediately cease to introduce combat material and combat aircraft in violation of Paragraph 13(d) and to remove all the combat material and combat aircraft imported during the past three years was repeated. The North again insisted that the South should withdraw its May 31 statement and declared its support for the Swedish government's proposal for a temporary withdrawal of the inspection teams from March 10. The UNC representative opposed this view: the difficulties experienced by the mobile inspection teams caused by the attitudes of their Czechoslovak and Polish members that disabled policing of Paragraph 13(c) and

13(d) were expected to continue.<sup>17</sup>

The NNSC responded to the May 31 and June 4 statements on June 5 by declaring in a letter to the MAC that they unanimously had agreed to provisionally withdraw the inspection teams. They explained their position that “a unilateral appeal having the character of an ultimatum should only be accepted in case of extreme need.” The provisional withdrawal would not change the legal status of the NNSC. The MAC failed to reach a joint agreement with the NNSC: consequently, the June 5 letter was not observed.

Consequently, after General Gard had told the NNSC members in a letter on June 8 that the suspension of any of its activities would become effective on June 9 and that the inspection teams in Pusan, Kunsan and Inchon were to be simultaneously withdrawn to the DMZ, controls of military reinforcements ended making both sides free to rearm without any interference. At an extraordinary NNSC meeting held between midnight and one A.M. June 9, the Commission agreed to withdraw all inspection teams in the North from Sinuiju, Manpo and Sinanju and in the South from Inchon, Pusan and Kunsan. Thanks to the single telephone line available in the Swiss camp, the order was immediately forwarded. The withdrawal of the inspection teams to Panmunjom began with the Czechoslovak and Polish teams stationed in Pusan the same day when the task was completed. Withdrawals from the North took place on June 10 and 11. The teams arrived in Panmunjom on June 12. On June 9, the Swiss delegation was reduced from 96 to 14 men and in September to 12. The Swedish team was reduced to 11 men on August 18. About the same time, Czechoslovakia and Poland had around 25 men each.<sup>18</sup>

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<sup>17</sup>Ministry of Foreign Affairs, *Principal Documents on Korean Problem, Vol. II* (Seoul: Ministry of Foreign Affairs, November 1960), pp. 1175-1177, 1190-1193; Mueller-Lhotska & Millett, *ibid.*, p. 36; Pak, *op.cit.*, p. 46. The full statement is recorded in Ministry of Foreign Affairs, *ibid.*, pp. 1174-1186.

<sup>18</sup>Choi, *op.cit.*, p. 494; Försvarets Läromedelscentral, *op.cit.*, pp. 26-27; Ministry of Foreign Affairs, *ibid.*, pp. 1193-1194, 1197-1198; Mueller-Lhotska & Millett, *ibid.*, pp. 36-37.

According to Mueller-Lhotska (1997), “The way the suspension was realized by the South constituted a violation of the internationally observed courtesy minimum.” In fact, when the UNC told the NNSC that the above restrictions on its work would be effected from June 9, the NNSC Secretariat had only four hours to act. Such a situation caused irritation: the Czechoslovak and Polish members used the occasion to complain about how the UNC treated the delegations and the whole NNSC.

Mueller-Lhotska also points out that the NNSC “became a ‘Commission without Supervision’ and thus also one *without a mission*; its function was essentially reduced to a purely symbolic institutional presence.” Yet, he notes that this presence aimed to manifest “...the vital importance to both parties of the 1953 Armistice Agreement” but also that the NNSC’s activities since the May-June 1956 events “... have lacked the basis of the armistice parties’ mutual agreement.” When the teams were withdrawn to Panmunjom and were reduced, the NNSC became incapable of conducting inspections. From now onwards, the work would instead mainly consist of analytical work, that is evaluations of reports on the rotation of personnel.

It must be noted that the suspension of the Armistice Agreement’s provisions of the NNSC was taken in violation of Paragraph 61 stating: “Amendments and additions to this Armistice Agreement must be mutually agreed to by the Commanders of the opposing sides.” Additionally, Paragraph 62 stating: “The articles and paragraphs of this Armistice Agreement shall remain in effect until expressly superseded either by mutually acceptable amendments and additions or by provision in an appropriate agreement for a peaceful settlement at a political level between both sides” was violated.

The evaluation made by Sven Grafström, Head of the Swedish NNSC delegation in 1953, that “if a party of the Armistice Agreement wishes to dabble in imports and exports [of combat materials], the

NNSC will be unable to prevent it neither to the north nor to the south of the 38<sup>th</sup> parallel” had turned out to be entirely correct. Grafström had also expressed the opinion that “to achieve effective control of what goes out and comes in at least one hundred or so inspection sites on both sides would certainly be needed instead of five.”<sup>19</sup> That the NNSC could pursue inspections for less than three years after the Armistice Agreement had been signed shows that due to real politics, observation of the Agreement reflected the parties’ interests rather than its contents.

### **UNC/MAC Cancels Paragraph 13(d) in 1957**

According to the South Korean scholar Kim Bo-Young, the suspension of the NNSC’s work in 1956 had been made in order to advance preparations for stationing “more modern and efficient weapons” referring to such dual capable weapons as guided missiles with the ability to load nuclear war-heads in South Korea. However, already on January 31, 1955 the UNC Commander had suggested a dissolution of the NNSC and a cancellation of Paragraph 13(c) and (d) to the United States’ Ministry of Defense.

He asserted that, even if all of the other 15 countries that had participated in the Korean War to assist South Korea did not agree, the United States would act unilaterally to accomplish these targets. On February 5, the United States Army expressed its full support for the proposal but the Ministry of Defense argued that from a political and legal point of view such a unilateral act was not desirable. The meeting of the 16 countries that had dispatched troops to South Korea held on

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<sup>19</sup>Columbia University, *Text of the Korean War Armistice Agreement*, Paragraph 61, 62; Försvarets Läromedelscentral, *ibid.*, pp. 26-27; Grafström, *Anteckningar*, pp. 1148-1149; Jhe, “Chongjon hyopchong-e,” p. 99; Lee, *op.cit.*, p. 9; and Mueller-Lhotska & Millett, *ibid.*, pp. 37, 40, 135. Italics in the original.

February 24 expressed support for rearmament.

At the South Korean government's National Security Council meeting on April 21, the UNC Commander argued that since the Soviet Union had brought in new weapons into North Korea outside the ports of entry, the longer Paragraph 13(d) is maintained, the more disadvantageous it will become for the United States. However, in the end, the United States administration failed to reach any agreement on this issue: it was easy to agree that Czechoslovakia and Poland were "hostile countries," but to prove the KPA/CPV violations of the Armistice Agreement to rationalize the dissolution of Paragraph 13(d) was more difficult.<sup>20</sup>

On May 14, 1957 Secretary of State John Foster Dulles announced at a press conference that the Americans would bring atomic warheads to South Korea to meet the Syngman Rhee government's request. However, the final step towards dismantling the Armistice Agreement was taken at the 75<sup>th</sup> MAC meeting held on the June 21, 1957 South's request. The UNC/MAC then unilaterally declared that it would suspend Paragraph 13(d) prohibiting military reinforcements "...until the military balance was restored and the northern side proved through positive action its intention to observe the provisions of the AA." A stumbling block for introducing new weapons was thus removed. On June 22, the UNC/MAC informed the NNSC about the decision to cancel Paragraph 13(d). On June 29, the UNC/MAC declared that it would cease to deliver the required reports to the NNSC. In the case of replacements of combat material, discontinuation was definitive but for the rotation of military personnel it was temporary.

The cancellation caused strong criticism from the KPA/CPV

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<sup>20</sup>Kim, "1960nyondae kunsu chongjon wiwonhoe-wa 'chongjon cheje'," [The Military Armistice Commission during the 1960s and 'The Armistice System'], *Yoksa-wa hyonsil*, Vol. 50 (2003), p. 179; Pak, op.cit., pp. 46-48. Original quotation marks.

which regarded the declaration as “non-valid.” It accused the United States of war-mongering and through the assistance of the Syngman Rhee “clique” of trying to make South Korea an American colony and a base area for nuclear weapons. The accusations were regarded as groundless. At the MAC meeting on October 11 at the northern side’s request, the North was accused of being responsible for the current state of affairs in Korea.<sup>21</sup>

Regarding the cancellation of Paragraph 13(d), the Czechoslovak and Polish members argued that the NNSC had to prevent a new war by condemning the action as a violation of the Armistice Agreement and a threat to peace. On the other hand, the Swedish and Swiss representatives argued that the Commission, as a neutral body with a mandate from both sides of the Korean War, could not work without being united in this case and asserted that the issue lay outside its mandate. Eventually, no agreement was reached: the NNSC failed to become “...a kind of war parties’ court of arbitration...”

Additionally, the issue of the evaluation of reports on personnel and combat material caused a clear split. After the UNC/MAC had ceased to report on combat material, the Swedish-Swiss opinion was that only reports on personnel would be evaluated and forwarded to the MAC, a proposal which Czechoslovakia and Poland opposed. In Fall, the NNSC delivered two separate reports for June on combat material and personnel, respectively, to the MAC. But from July onwards, reports only covered evaluations of personnel. Eventually, Czechoslovakia and Poland signed the reports for August-October.<sup>22</sup>

In spite of the great difficulties the NNSC had had in conducting

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<sup>21</sup> Bruzelius, op.cit., p. 600; Kim, ibid., p. 172; table 2, pp.179-180; Knüsli, “Die Schweizer,” p. 133; Mueller-Lhotska & Millett, op.cit., pp. 39-40; Tore Wigforss, *Rapport avseende verksamheten vid Svenska Övervakningskontingenten i Korea* [Report on the Work of the Swedish Supervisory Team in Korea] (Panmunjom, November 17, 1957), pp. 1-2, 11. “Clique” is quoted from Wigforss, ibid., p. 1.

<sup>22</sup> Försvarets Läromedelscentral, op.cit., p. 29; Mueller-Lhotska & Millett, op.cit., p. 40; and Wigforss, ibid., pp. 3-5.

its work, it should be noted that when the Commission celebrated its fifth anniversary on August 1, 1958, the Polish chairman emphasized “the significant contribution by the NNSC to reducing tensions in the Far East.” However, the Swiss delegate questioned the NNSC’s existence due to the opinion that its functions had been reduced to a mere symbolic presence. Considering the above, both views can, in many regards, be seen to be correct.

Although South Korea originally had showed a negative attitude towards the NNSC, Colonel Tore Wigforss writes in his report to the Swedish Ministry of Foreign Affairs from March-November 1957 that in July 1957, the South Korean Chief of Staff to Sweden’s NNSC delegate had expressed his appreciation of the Swedish contribution to the Commission. In Wigforss view, a contributing factor to the changed opinion was probably the Swedish-Swiss joint policy to oppose the Czechoslovak-Polish attempts to make the NNSC condemn the UNC/MAC’s cancellation of Paragraph 13(d).

Both the North and the South apparently wanted the NNSC to remain, since it, if nothing else, symbolized that the Armistice Agreement was still being enforced. The knowledge, that there is a neutral commission within the area that would become the first war zone if hostilities were renewed, was a restraining factor for any aggressor. He also points out that a reason for the North to maintain the Commission was that, as a propaganda platform, it could be used to reach out to world opinion.

His successor, Brigadier-General Sven Tilly, writes in his report to the Swedish Ministry of Foreign Affairs from November 1957-May 1958, that KPA/CPV members unofficially had repeatedly expressed their appreciation of the NNSC, and expressed the view that the NNSC was the only obstacle to the outbreak of a new war. The UNC/MAC had roughly the same opinion but restrained itself to only mentioning the Swedish-Swiss contribution as a peace-keeping factor and an obstacle to the use of the NNSC as a propaganda platform.

Since the NNSC, following the suspension of Paragraph 13(d) on June 21, 1957, was no longer a stumbling block for rearmament by the UNC and the South Korean government, the South came to regard the Commission as a useful body, as the North had always done. In fact, the South feared that a dissolution would become a propaganda victory for the North. The NNSC was to the South a symbol of peace and its presence a stabilizing factor between two armies which were poised, ever ready to fight. Notably, in spring 1959, President Rhee recognized in an interview with Radio Lausanne the work of Sweden and Switzerland through the NNSC.<sup>23</sup> These positive evaluations indicate that the NNSC, although its original mandate had ceased to exist, contributed to the securing of peace.

To the author's knowledge, the official opinion in North Korea, South Korea and the United States is still that the NNSC contributes to maintaining peace but the North's policies during the 1990s weakened the Commission as well as the MAC. First, after the South Korean General Hwang Won Tak had assumed his post as the Senior Member of UNC/MAC on March 25, 1991, North Korea cancelled all further MAC meetings: South Korea had not signed the Armistice Agreement. Only MAC Secretaries of the rank of colonels continued to meet on an informal level in Panmunjom. On May 24, 1994 the North's mission to MAC was replaced by the Korean People's Army Panmunjom Mission whose aim was direct talks with high-ranking American UNC officers to, eventually, conclude a bilateral United States-North Korea peace treaty. In December 1994, China withdrew its MAC mission. Since 1998, general officer-level talks have intermittently been held between UNC officers and the KPA. The

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<sup>23</sup> Försvarets Läromedelscentral, *ibid.*, pp. 30, 31; Knüsli, *op.cit.*, pp. 133-134; Tilly, *Viktigare tilldragelser inom den neutrala övervakningskommissionen november 1957 - maj 1958* [Important Events Within the Neutral Nations Supervisory Commission November 1957-May 1958] (Panmunjom, May 27, 1958), p. 7; Wigforss, *ibid.*, pp. 0, 7, 9-10.

talks concern violations of the Armistice Agreement and measures to prevent the reoccurrence of violations but also military support for exchanges and cooperation between North and South Korea.

Second, at a time when Czechoslovakia had become an ideological opponent, the North dissolved the Czechoslovak delegation on the occasion of the country's disintegration in 1993 (UNC/MAC recognized the Czech Republic as legal successor). Following the departure of the Czechoslovak delegation on April 3, 1993, the Polish delegation was also forced to leave on March 4, 1995. However, Poland did not officially give up its NNSC mandate. A member and his secretary travelled regularly to South Korea in order to sign documents at the NNSC Headquarters in Panmunjom but it was more important to as a means of "showing the flag" than anything else; and as a way to emphasize that the Armistice Agreement remained valid.

The NNSC's ability to work was further reduced from May 5, 1995 onwards since the Swedish and Swiss NNSC delegations no longer had access to the northern part of the JSA without special permission from the KPA.<sup>24</sup> In spite of the restrictions imposed unilaterally by North Korea on the Commission's work, it is important that both have continued to exist. A dissolution would have been an implicit recognition that the Armistice Agreement does not work and would have made it even more difficult to secure peace on the Korean Peninsula.

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<sup>24</sup> Jhe, *op.cit.*, p. 107; Mueller-Lhotska, *op.cit.*, pp. 119-121, 128, 130-131.

## Conclusion

Although the 1953 Armistice Agreement contains provisions to implement and supervise the agreement, mutual distrust caused by the Korean War greatly undermined its significance: the war was only replaced by an uncertain peace. Both the KPA/CPV and the UNC/MAC violated the agreement by, above all, rearming. Military reinforcements were deployed in the DMZ but there were no legal provisions to prevent such developments. The North imposed restrictions on the NNITs work but the southern side also hindered supervision in the South. The South regarded the NNSC as a hinderance to rearmament and was something that had made it militarily inferior to the North. Czechoslovakia and Poland were regarded as satellite states to the Soviet Union to the detriment of implementing the Armistice Agreement. The Commission's work was hindered by internal splits. Altogether, the NNSC in 1953-1956 became "a mission impossible."

In 1956, the UNC/MAC suspended Paragraph 13(c) on NNSC inspections. The Neutral Nations' Inspection Teams were withdrawn to Panmunjom where they began to evaluate reports of military equipment and personnel. In 1957, the UNC/MAC also cancelled Paragraph 13(d) prohibiting military reinforcements: real politics had made supervision impossible. In any case, after the events of 1956-1957, a dissolution of the NNSC was no longer on the agenda. From 1957 onwards, the South also came to regard the NNSC as a body contributing to secure peace. Although North Korea's policies in the 1990s undermined both the MAC and the NNSC, that the Commissions remained in place despite all this, indicates that their mere presence contributes to maintaining the Armistice Agreement.



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