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IN PART B1,25X6

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Reason 1.4 b,d 25x6 ~ Declassify on:
3-19-2022NORTH KOREA DEPUTIES' COMMITTEE
MARCH 20, 1992Issues for Discussion

Our basic policy remains that nuclear weapons in North Korean hands are intolerable. North Korea is still on a plausible schedule leading to compliance with its IAEA and bilateral non-proliferation agreements (Tabs 1-4 illustrate best and worst case scenarios for possible DPRK action). Although it may be difficult to exert pressure on the DPRK over the next two months, the DC should address policy issues such as: how long can we wait before embarking on a course of coercive measures; what measures are both feasible and effective; and what are the tactical (and longer term) implications?

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State of Play

We are in the midst of a testing period for the DPRK. The DPRK led the ROK to believe that it would sign and ratify an IAEA Safeguards Agreement by February 19 and then failed to meet the commitment. DPRK representative Kim Young Sun told U/S Kanter on January 22 that he thought the DPRK would ratify the IAEA safeguards agreement "in a month or two."

Nevertheless, there are clear signs of potential progress. The DPRK has informed us, most recently at our meeting in Beijing on March 17, that it will ratify its IAEA Safeguards Agreement on April 8 and notify the IAEA shortly thereafter. Bilaterally, while the North rejected ROK calls for a specific date for inspections, it did agree to the formation of the Joint Nuclear Control Committee (JNCC) which must negotiate the inspection regime under the bilateral non-nuclear accord; and it agreed that both sides will make "joint efforts" to adopt an inspection agreement within "about two months." If North Korea follows through on either of these commitments, inspections in North Korea could take place in June. (See the best case scenario at Tab 4).

We are thus in a "wait and see" period. The North has taken advantage of every opportunity thus far to prolong the process, but its options have progressively narrowed nonetheless. At Yongbyon, for the moment there is no [redacted] that North Korea is either increasing activity or taking steps to move material out. If North Korea moves toward inspections in June, we may begin to see the satisfactory resolution of the nuclear issue which our "carrot and stick" policy was designed to induce. On the other hand, Pyongyang's past record suggests that we must remain on our guard.

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Our key regional allies, the ROK and Japan, agree with us on not moving towards improved ties with the DPRK until the nuclear issue is resolved. The ROK has toughened its posture, emphasizing that progress on the nuclear issue is now a prerequisite for movement in other North-South areas, including trade. The ROKG has indefinitely postponed a summit meeting, and it will likely postpone the next round of PM talks May 5-8 if the DPRK has not ratified its safeguards agreement.

DPRK "Plausible Delay":

Despite the concerns expressed by an almost unanimous majority at the February IAEA BOG meeting, some in the IAEA have been willing to give the DPRK the benefit of the doubt. Any long-term U.S. strategy will have to take account of this and recognize that the DPRK continues to have room for "plausible delay." This will be particularly true with two key players, China and Russia. Scenarios for such delay for IAEA inspections and for the bilateral regime are at Tabs 1 and 2.

If the North employs such tactics, it may be difficult to mobilize international pressure, if needed, before this summer, unless the South is willing to break off North-South dialogue and China and Russia can be persuaded to support more drastic pressure. This may be unachievable unless we obtain the sort of clear information on North Korean intentions that we now lack and we can use it to galvanize international pressure to compel the North to fulfill its obligations.

Continuing Incentives, Long Term Pressure

Our approach for now must be to continue to accept the possibility that the North will meet its obligations and hold open incentives for it to do so. Our public statements must walk a fine line between this waiting strategy and maintaining international pressure. At the same time, we should lay a foundation for action over the next few months that can, at successive junctures, enable us to further narrow the DPRK's freedom of action and tighten international pressure.

Action Program. Our challenge is to minimize DPRK wiggle room. Since Pyongyang may try to delay accepting inspections, we should seek international support for a reasonable deadline calling for initial IAEA inspections at all nuclear installations, including the suspected reprocessing facility at Yongbyon. This will help lay the groundwork for effective international action should it become necessary to coerce Pyongyang. A reasonable timetable could assume that North Korea will take all steps necessary to bring the IAEA agreement into force within April. Pyongyang would then have until the end of May to submit its inventory of nuclear material, and the IAEA can request a visit (an ad hoc inspection) to all North

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Korean nuclear facilities at the beginning of June (a "best case" scenario is at Tab 3).

Consultations and Pressure Points. With this timetable in mind, we will be consulting with key governments anticipating several potential pressure points over the next two months. Although the following is heavily IAEA oriented,

[redacted] In tone, all of these consultations should reflect our hope that the North is soon going to ratify and avoid any talk that will give Pyongyang grounds for claiming we are "pressuring" the DPRK.

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--With the Chinese, who have the most influence in Pyongyang, we will stress that North Korean performance on our timetable is critical and urge Beijing to "make it happen." The emphasis should be on Beijing's own national interest, the need for further progress toward peace on the peninsula, the incentives that exist for Pyongyang, and, finally, our determination to pursue tough international steps -- which we will expect the PRC to join -- if Pyongyang fails to perform. We just made this point forcefully to VFM Liu, and we may have a further opportunity for high-level contact in Beijing in May.

--At the IAEA we should work to build support for a possible special BOG meeting at any time it becomes clear that North Korean progress toward full implementation has slowed; this would include ratification, notification to the IAEA, submission of a full initial inventory, and subsequent cooperation in establishing inspections. We should avoid publicizing specific future deadlines now because they might be easily avoided by the DPRK if it is indeed intent on stalling.

--At the UN, although it may be months before we can hope to achieve effective UNSC measures to coerce Pyongyang, we should initiate regular discussion of the North Korean nuclear issue among the Perm Three and then the P-5. The purpose should be to exchange views on the degree of progress and to discuss, if appropriate, possible courses of UN action. We should make clear that we see a role for the UN if the North does not make good on its April commitment or stalls on the timetable thereafter.

--In Tokyo, we will continue to closely coordinate with the GOJ, which plays a critical role in putting pressure on the DPRK to implement both the IAEA and bilateral inspection regimes.

--Russia, although preoccupied and with its leverage

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substantially weakened, still maintains a strong interest in seeing North Korea meet its nuclear obligations. [redacted]

[redacted] and North Korea will be at the top of the agenda when we have bilateral experts talks with Deputy Foreign Minister Kunadze in April.

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--At the US-DPRK talks in Beijing on March 17, we conveyed our views specifically and clearly, so that Pyongyang can have no illusions that we will acquiesce to delaying tactics. In a letter from Kim Young Sun to U/S Kanter, Pyongyang complained about pressure from "some sections in the U.S.," but reaffirmed its commitment at the January 22 meeting to "resolving the ...question of denuclearization."

As these consultations move ahead and we watch Pyongyang's behavior hopefully, we will have the following additional milestones and possible actions:

--Possible Special BOG Meeting. The most likely scenario for successfully seeking a special BOG meeting would be if ratification has not occurred, [redacted]

[redacted]

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--June IAEA Board of Governors Meeting. The next regular meeting of the BOG is scheduled for mid-June. This will afford a further opportunity for coordinated action, as needed.

June and Beyond

Much now depends on precisely how the DPRK behaves in the interim, and on the IC's view of events at Yongbyon. If we find in June that North Korea is still stalling and a case for a coercive course can be made, we will have laid the foundation during our March-May consultations and meetings.

Aside from pressure in international organizations, possible coercive measures fall into three categories: economic, political, and [redacted]

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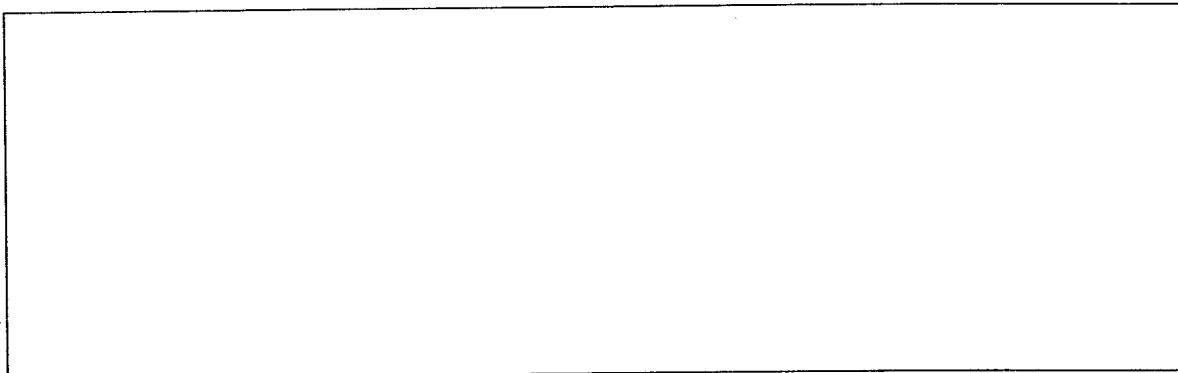
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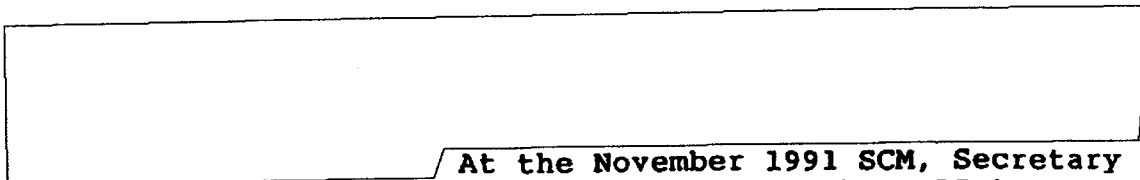
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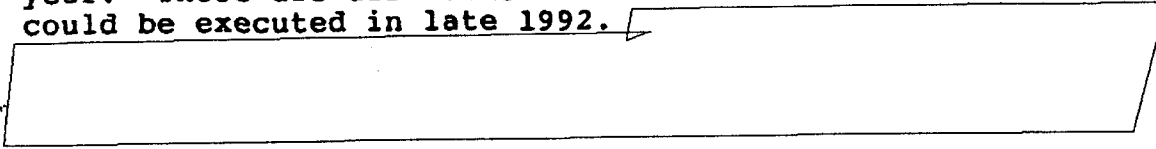
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-- We can encourage a general constriction of political contacts with the DPRK, although here, again, we would be cutting into a pretty small pie. The impact on North Korea would be uncertain, but might affect the legitimacy of the succession.



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At the November 1991 SCM, Secretary Cheney announced the postponement of EASI Phase II troop cutbacks for Korea, citing the uncertain security situation caused by North Korea's nuclear program. Team Spirit has been canceled for 1992 as part of the North-South agreement on denuclearization, but we and the ROK have left open the option of rescheduling elements of Team Spirit later in the year. There are also other exercises/demonstrations which could be executed in late 1992.



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