

Policy Analysis

FREE RIDER

South Korea's Dual Dependence on America

by Doug Bandow

Doug Bandow is a senior fellow at the Cato Institute. A former special assistant to President Reagan and visiting fellow at the Heritage Foundation, he is the author of Tripwire: Korea and U.S. Foreign Policy in a Changed World.

Executive Summary

The Republic of Korea is finding the transition to political and economic maturity difficult, and the government of newly elected president Kim Dae Jung faces daunting challenges. Nevertheless, South Korea's long-term future is bright, and Washington should insist on a new political and strategic relationship.

The ROK remains militarily underdeveloped and dependent on the United States, even though Seoul has overtaken its northern antagonist by almost every measure of power. And with security dependence has now come financial dependence. A prominent argument used by the Clinton administration to justify the \$57 billion international bailout of the ROK economy is that failure to do so might destabilize the peninsula and put the American troops stationed there in the middle of a new Korean war.

The United States will ultimately be more secure if capable democratic countries take charge of problems in their own regions. Thus, Washington should begin withdrawing its forces from South Korea and transfer primary responsibility for North-South relations to Seoul.

There is no reason for South Korea to continue being Washington's ward--much less to broaden and deepen that dependence. Seoul and Washington should negotiate a termination of America's force presence and the "mutual" defense treaty. Only then will South Korea's transformation from political child to adult be complete.

Introduction

The world may have become a friendlier place for democracy, but the Republic of Korea is nevertheless finding the transition tempestuous. South Korea has encountered severe economic turbulence, as Seoul pays the price for decades of crony capitalism. Political discord has arrived with the election of Kim Dae Jung as president. Kim, the ultimate political outsider, confronts an opposition-dominated assembly, which has forced him to negotiate the first hostile leadership transition in modern Korean political history. He must deal with an economy bedeviled by structural weaknesses, political favoritism, and unfinished reforms and implement an unpopular foreign bailout directed by the International Monetary Fund.

Nevertheless, this stormy passage represents something crucial: the ROK's maturation from adolescent to adult. A mere decade ago Seoul was ruled by a military dictatorship. Steady economic growth had pushed South Korea past communist North Korea economically, but mass street protests were necessary to force elections in 1987. That contest was won by Roh Tae Woo, a former general favored by the ruling establishment. Onetime dissident Kim Young Sam was elected five years later, but as a candidate of the ruling party, which had merged with his own. Kim purged the military and eventually prosecuted his two predecessors for their corrupt political practices and involvement in the coup d'état that brought the military to power in 1980.

At the same time, Kim discovered the fickleness of democracy. His popularity collapsed amid administration blunders and corruption charges. Even the ruling party candidate, Lee Hoi Chang, turned on him during the 1997 campaign, threatening him with prosecution.¹ But for the first time the prospect of the election of Kim Dae Jung, the perennial dissident of Korean politics (running in his fourth campaign), generated no threat of a coup. A onetime leftist, Kim allied himself with Kim Jong Pil, former head of the Korean intelligence agency, and Park Tae Joon, a leading industrialist. Kim Dae Jung won by only a razor-thin margin in a vote that was badly splintered by region. But he quickly moved to reassure Korean voters and foreign investors alike.² Although politics will almost certainly remain highly fractious in coming years, the ROK no longer seems unstable.

Economic progress has been even more impressive. Years of double-digit growth have moved the South into the lower ranks of industrialized states. Although the ROK's per capita gross domestic product still trails those of Hong Kong, Japan, and Taiwan, Seoul has jumped ahead of most of its neighbors. South Korea's recent economic travails actually highlight its long-term success: it has become a major participant in the global economy. The ROK has simply paid the price of extensive government subsidies to the major *chaebols*, or industrial conglomerates.³ (The *chaebols* used cheap credit to dominate national economic life. That discouraged creation of venture capital start-ups like those in Silicon Valley, which have given the United States such an economic edge.)⁴

The crisis, though serious, has made possible reforms that were until now politically inconceivable.⁵ The collapse of overextended enterprises, as well as the banks that underwrote them, will be costly, but Korea will not be the first country to withstand severe economic problems. Indeed, indicative of the South's continuing underlying strength was the rapid reentry of some foreign investors into the South Korean stock market.⁶

Despite its economic and political growth, however, Seoul remains underdeveloped internationally. Militarily, South Korea is essentially where it was in 1953--dependent on the United States. Washington maintains a Mutual Defense Treaty that is mutual in name only, stations 37,000 soldiers on the peninsula, and backs up its commitment with forces throughout the Pacific and at home. All told, Americans spend as much to defend the ROK, about \$15 billion annually, as the South Koreans spend.⁷

South Korea's Metamorphosis

The genesis of Washington's Korean commitment was the messy conclusion of World War II and the ensuing Cold War. Artificially divided between U.S. and Soviet occupation forces, the Korean peninsula in 1950 erupted into civil war--a war that quickly became internationalized. Three years of combat left the borders largely unchanged, but the armistice was never turned into a peace treaty and the two Koreas remain formally at war. American forces have since acted as the ultimate guarantor of the ROK's security. South Korea also languished economically, only beginning to escape abject poverty during Park Chung Hee's dictatorship in the 1960s.

There were two keys to Seoul's eventual economic success. The first was the move in a broadly market-oriented direction. ROK economic policy was never *laissez faire*, but South Korea generally relied on private entrepreneurship and export-driven growth.⁸ That contrasted sharply with Pyongyang's autarchic policy of *juche*, which has led to near economic collapse.

Almost as critical was the South's decision not to respond to the North's military buildup. The Ministry of National Defense of the ROK acknowledges that Seoul did not begin its "force improvement program" until "twelve years later than North Korea."⁹ Why? The ROK "concentrated on its economic and social development."¹⁰ In short, despite a dire military threat, the South chose butter over guns, as it continues to do today.

That strategy worked. All estimates of North Korea's economic output are dubious, but the International Institute for Strategic Studies figures the ROK has about 24 times the GDP of the North.¹¹ South Korea has twice the North's population, the ability to borrow--heavily, as we have recently seen--in international markets, and extensive high-tech industries. The Democratic People's Republic of Korea wretched on its international

debts, has been suffering through several years of negative growth, and cannot feed its own people. Indeed, people in the North are literally starving.¹²

Equally significant, Seoul has lured away North Korea's allies. Russia is paying off its debts to the South with military equipment; China has far more trade with and investment in the South than the North.¹³ Pyongyang is even losing the allegiance of the Korean community in Japan, which has long provided the North with much of its hard currency. (Those remittances are estimated to have fallen by 90 percent since 1990.)¹⁴ The matchup between the two Koreas looks like the German battleship *Bismarck* versus a minor Chinese junk.

Continuing Dependence on the United States

South Korea continues to be an American defense dependent even though Seoul possesses a potent military, and the DPRK's military deficiencies are legion. Central Intelligence Agency director George Tenet told the U.S. Senate, "The [North Korean] military has had to endure shortages of food and fuel, increased susceptibility to illness, declining morale, often sporadic training and a lack of new equipment."¹⁵ However, the North possesses a significant numerical edge, and the simple weight of numbers could lead to the destruction of the city of Seoul, which is just 30 miles from the border, even if North Korea ultimately (indeed, quickly) lost the war.¹⁶ Moreover, deficiencies tied to reliance on American forces, such as inadequate air-to-ground attack capability, would prevent the ROK from taking full advantage of North Korean weaknesses.

Such problems do not bother officials in either Seoul or Washington as long as the United States protects the South. Most analysts believe that the combined U.S.-ROK forces would achieve a quick victory in any war.¹⁷ However, foreign subsidies come at a high price. Although the Combined Forces Command is no longer under the control of an American general, long an insult to South Korea, the United States remains the dominant defense partner. When discussing defense decisionmaking for the peninsula, William Taylor of the Center for Strategic and International Studies recommended that we should "get an agreement *fast* with our ROK ally on who pays what share for the systems required to protect/limit damage to Seoul," as if the protection of a foreign capital was normally a subject of bilateral negotiation.¹⁸

The Onset of Dual Dependence

The ROK's continuing defense dependence seems to be leading, in turn, to economic dependence. South Korea was a major recipient of U.S. foreign aid into the 1970s; it wasn't until 1969 that the South covered more than half the cost of its own defense budget. Washington was still providing significant amounts of security-oriented aid as late as 1986. That assistance, of course, was in addition to the direct American military subsidy in the form of the defense commitment and troop deployments. The ROK

spent years investing in its economy the cash that it saved by relying on the United States. Some of that money was obviously well spent, as evidenced by South Korea's astonishing economic growth over the last two decades. But some of it was wasted on the sort of industrial policy schemes that came crashing down last year.

The financial crisis led the International Monetary Fund and the United States to organize a \$57 billion bailout package, which included \$1.7 billion from the United States, in January 1998. Potentially, there are many more billions to come, many of them through the IMF, to which Washington is the largest contributor. (Originally, the United States planned to contribute only \$5 billion as part of a financial backup, should it prove necessary; it took barely a month for American taxpayers to be moved up to the front-lines.) On top of the U.S. share of the IMF bailout is \$1 billion--the ROK originally asked for \$1.6 billion--in credit guarantees for the purchase of American agricultural products, as well as a half billion dollar increase in Export-Import Bank credit insurance. Exactly why America should spend so much more to help a nation that it has already helped so much for so many years is unclear. But South Korea is committed to hanging on to its subsidies, hiring the usual passel of D.C. lobbyists and publicity agents.¹⁹ Former U.S. ambassador to the ROK William Potter described the situation aptly some three decades ago: "They've got hold of our big fat udder and they won't let go."²⁰

The Korean economy did not collapse; rather, the country ran short on foreign currency reserves with which to pay its short-term debts, about \$66 billion over the coming year. The obvious solution was for creditors to extend their loans. (In fact, even with international aid, the ROK was forced to seek debt restructuring.)²¹ Instead, citizens of other industrialized states came up with the cash. Thus, the primary beneficiaries of the bailout were, not South Koreans, but South Korea's creditors. Here, as in previous bailouts, U.S. taxpayers are acting as a foreign investment protection service.

The Need for Economic Reform

Of course, Seoul needs to reform its economy. Observes Earl I. Johnson, an economist with Chicago's Bank of Montreal, "We can get over this crunch period, but there's still concern about additional bankruptcies in the commercial and financial sectors. There's going to have to be a major restructuring of the Korean economy."²² President Kim Dae Jung seemed to shift from criticism of to support for economic liberalization largely to placate foreign investors. He declared the day after his election, "I will boldly open the market. I will make it so that foreign investors will invest with confidence."²³ His choice of cabinet ministers, however, raised questions about the genuineness of his commitment to market reforms.²⁴

In any case, there is no reason to believe that IMF lending is necessary for reform. For 50 years the fund has generated permanent dependence rather than economic growth.²⁵ The necessary changes are more likely to be implemented by nations like South

Korea if they are generated locally, in response to economic crisis, than if they are imposed from without, even if accompanied by a de facto bribe. Moreover, fundamental reform would occur more quickly and completely if the inefficient and often corrupt managements of failing enterprises were removed, not subsidized. As former federal reserve governor Lawrence Lindsey points out, "Under the administration's bailout plan, owners and their crony system would stay in place."²⁶ Far better for overextended enterprises to be purchased by outsiders, including Americans. Lindsey observes, "We gain nothing by giving the present owners and the political system that supported them a fresh lease on life."²⁷

Indeed, the most effective pressure for reform comes from outside investors. Although some have reentered the stock market, many are holding off on direct investments until they see reforms being implemented. Says former U.S. ambassador to South Korea Donald Gregg, "The rhetoric has not yet hit the road."²⁸ Similar was financier George Soros's promise to make substantial investments if the ROK government adopted "radical restructuring of industry and of the financial sector."²⁹

The ROK's Economic Problems Become a U.S. Security Issue

Given the dubious economic rationale for supporting the IMF bailout, the Clinton administration resorted to national security arguments for treating South Korea as a financial as well as a military dependent. Indeed, administration officials adopted the security rationale only after they encountered substantial congressional opposition to their request, based on economic arguments, for additional IMF funding. Columnist Robert Novak described the abrupt change that occurred during a White House briefing of top Republicans in Congress: "Thoughts of dissent vanished when the congressional leaders were warned that failure to bail out South Korea could trigger a communist invasion from the north."³⁰ Opined Treasury Secretary Robert Rubin, "If you have economic instability, you run the risk of political and social instability." He added that "there are still enormous security concerns for the United States" in Korea.³¹ On another occasion he linked the economic and security rationales even more explicitly: "We have a vital national economic and security interest in helping Korea to restore market stability as soon as possible."³² Defense Secretary William Cohen made much the same argument: "If we don't lead on economic issues, we won't be able to lead on other issues," such as security.³³

In short, it is apparently not enough to preserve a security umbrella, relieving Seoul of the financial burden of defending itself. The United States must also provide billions of additional dollars in economic aid to South Korea to sustain that security umbrella. Thus, Washington's commitment turns out to be a double loss. Stanley Chan of Columbia University rightly complains that the Pentagon's fixation on the possibility of a North Korean invasion "is at best a waste of shrinking financial resources on an unlikely crisis."³⁴

Unchanging Policy in a Changing World

U.S. policy toward the ROK today looks an awful lot like U.S. policy in 1953. It is as if nothing had changed on the peninsula--as if the South were still reeling from the war, Chinese troops were still stationed in the North, Pyongyang still challenged South Korea economically, the ROK still suffered under unpopular dictatorships, and Seoul still lagged behind the DPRK in the battle for diplomatic support. And it is as if nothing had changed internationally--as if the Cold War still raged, would-be communist hegemony were still probing the United States for weakness, and the future of Japan and all of Asia was still clouded.

But both Korea and the world have changed. True, Pyongyang's difficult straits create a risk of either war or violent implosion.³⁵ That possibility has caused inordinate breast beating by some U.S. analysts, who advocate heightened American vigilance to deter any war.³⁶ However, South Korea can and should defend itself against whatever threat exists. There is, in fact, nothing to stop the ROK from building a military sufficient to deter the North. For more than 20 years South Korean officials, starting with President Park, have promised that military parity is just a few years away.³⁷ But parity has never come because it has never had to come. The South continues to concentrate on economic and social development and to underinvest in defense since America keeps the defense shield in place at its own expense.

When privately confronted with the possibility of having to defend themselves, South Korean officials usually respond, "We'd have to spend more," not "We'd be helpless." The amount that would be required to build a more robust defense--estimates run about \$10 billion to \$13 billion annually--would not be unduly burdensome for a nation with a GDP approaching (based on the previous exchange rate) \$500 billion.³⁸ Obviously, today might not seem to be an opportune moment for such an increase, but South Korea has invariably acted as though there would never be an opportune moment. As far back as 1979 an irritated President Jimmy Carter asked ROK dictator Park Chung Hee why South Korea, with a much larger economy than the North, did not match the latter's military spending.³⁹ Park had no answer. A decade later, at a conference in Seoul, an ROK legislator rebuffed the suggestion that the ROK spend more on the military, observing that "we have needs in health and education that must be met."⁴⁰

The South continues to believe Washington has an obligation to pick up the security tab. Even as its officials warn that the North could implode, South Korea is contemplating significant *reductions* in military spending and arms purchases, as well as host-nation support for U.S. troops.⁴¹ Moreover, during the recent Korean election campaign, Kim Dae Jung announced that, because of the ROK's difficulties, he would "ask the U.S. and Japan to contribute more" to the \$5 billion deal to keep nuclear weapons out of the hands of North Korea.⁴² After the election, Kim spokesman Lee Jong Chang

contended, "Our burden should be cut to the minimum in view of the current financial difficulty we are now suffering."⁴³

Tokyo faces its own economic woes and is unlikely to pony up more. That leaves Washington, though Clinton administration officials have so far resisted Seoul's entreaties.⁴⁴ The country that has the most at stake in maintaining a nuclear-free peninsula is South Korea, which remains capable of meeting its commitment as long as it places a high priority on keeping the peninsula nuclear free.⁴⁵

Shifting--and Shifty--Justification for Dependence

The economic disparity between the two Koreas has begun to embarrass even some ROK analysts who defend their country's dependence on the United States. Privately, many acknowledge that the American military presence is no longer needed to deter the North. Rather, they say privately, the United States should stay to defend South Korea from . . . *Japan*. Indeed, the South's defense white papers occasionally make ominous noises about Tokyo's military expenditures. (Some U.S. observers make much the same argument.)⁴⁶ That alleged concern about Japan looks like a convenient search for the necessary enemy to justify continuing to cling to the American security blanket.

The "Bad Neighborhood" Argument

It is true that, as has often been said, Korea is stuck in a bad neighborhood, surrounded by major powers that have abused it. But that can be said of many countries (Poland, Romania, and even Mexico might make the same argument). However, neighborhoods can change. Today Japanese aggression is about as likely as an invasion from Mars.⁴⁷ Moreover, the South (and especially a united Korea) could make the costs of any attempted invasion far too high for even a remilitarized Japan to consider.⁴⁸ There is something pitiful about Seoul's attempt to redirect its Cold War alliance with the United States against another close American ally.

Not only has the balance of power on the Korean peninsula changed; so has the international context. The United States intervened in the Korean War in 1953 not because of any belief in the intrinsic importance of the peninsula--the Pentagon and even Gen. Douglas MacArthur dismissed South Korea as insignificant--but because of Korea's place within the larger Cold War struggle.⁴⁹ Even if President Harry S Truman was correct in viewing the North Korean invasion as the first step in a concerted Soviet plan for world conquest, no similar threat exists today. To the contrary, even communist China prefers stability on the peninsula and would likely favor Seoul in anything but an invasion of the DPRK by the South. A war between North and South Korea would be just that--a war between North and South Korea. The obvious humanitarian tragedy would generate few security concerns for the United States. Presumably, it is for that reason that a

majority of Americans oppose the U.S. commitment to defend South Korea; less than a third support the current security guarantee.⁵⁰

Exaggerating South Korea's Strategic Importance

Some analysts contend that America's presence in Korea offers an important base from which to promote regional stability. Former assistant secretary of state Richard Holbrooke once went so far as to say that the loss of Korea "would be the end of our position in the entire Pacific."⁵¹ Similarly, Secretary of State Warren Christopher contended that the alliance was "a linchpin of America's engagement in the region."⁵² Only slightly less unrealistic was the joint communiqué of Secretary Cohen and ROK minister of national defense Kim Dong-Jin, which stated that even after threats from North Korea end, "the alliance will serve to keep peace and stability in Northeast Asia and the Asia-Pacific region as a whole."⁵³

The reality is that the ROK has only modest strategic value to the United States. America's relationship with Japan is more important than is that with South Korea, and the Korean "dagger" pointed at Japan is not nearly so sharp today, after the end of the Cold War. Moreover, Washington could maintain whatever air and naval forces it desired in the region without bases in Korea.

South Korea as a U.S. Advance Base

Former assistant secretary of defense Joseph Nye made a bit more sense when he argued that pre-positioning equipment "is a terrific force multiplier" that allows one to "add tremendous additional capability in a very short time."⁵⁴ But only a bit more sense. The United States could maintain a cooperative relationship with South Korea even in the absence of a defense guarantee and U.S. units based on Korean soil. Moreover, it is hard to imagine an Asian conflict in which the United States would intervene with ground forces, which makes the lone division stationed in the ROK, and associated pre-positioned equipment, superfluous.

China is, today at least, the most obvious potential military adversary of America in East Asia, and many U.S. officials now maintain that American forces should remain in a reunified Korea to help contain Beijing. "We're very hesitant to say the reason why our troops are still there is China," says James Lilley, former U.S. ambassador to both China and South Korea. "But nobody in Asia is necessarily fooled by this."⁵⁵ However, if Washington ended up going to war with China over, say, Taiwan, the Navy and Air Force would do the heavy lifting.⁵⁶ A sizable American presence in South Korea would merely turn that country into a military target and would be likely to make Seoul hesitate to support Washington in such a contingency, just as Japan lacked enthusiasm for U.S. saber rattling over Taiwan in early 1996.

Moreover, the regional "stability" argument fails to distinguish between U.S. influence in East Asia and a defense commitment to the ROK. America would remain the region's largest trading partner; would retain significant cultural, historical, and political ties; and could cooperate militarily with allied states. It could even intervene militarily if it believed its vital interests were threatened--say, by a potential hegemon that could not be contained by allied powers. To do those things Washington need not maintain an alliance and force structure created in a different era to achieve different ends. Nor need it intervene promiscuously in response to every instance of instability in a world in which some instability is inevitable. Explains Ted Galen Carpenter of the Cato Institute, "A reasonable degree of order should not be confused with the need to micromanage the region's security affairs to ensure complete order."⁵⁷

Indeed, the United States will ultimately be more secure if other democratic countries take the lead in dealing with potential conflicts that have only minimal relevance to America. The Korean peninsula remains a flashpoint, the one spot on earth where substantial numbers of Americans could die. Letting manpower-rich South Korea take over its own defense would reduce the likelihood of America's finding itself at war. When it comes to disputes over the Paracel or Spratly Islands, Japan, Korea, and the Philippines should cooperate among themselves in responding to China; there is no reason for the United States to entangle itself in a quarrel so lacking in relevance to America.⁵⁸ If Seoul really fears the highly unlikely possibility of future Japanese aggression (Tokyo is the quintessential satisfied, status quo power), then better that the ROK develop the military wherewithal to deter an attack than demand that the United States take its side in a squabble over, say, Tokdo/Takeshima Island. It is even more important that the solutions to civil conflicts and insurgencies, like those in Cambodia and the Philippines, come from within rather than from outside the region.

Turning South Korea's defense over to South Korea would also enhance U.S. flexibility elsewhere around the globe. America's early 1998 military buildup against Iraq in the Persian Gulf led one newspaper columnist to worry that North Korea might choose that moment to strike south, "while we are least able to respond effectively."⁵⁹ But why should the United States have to worry about responding when Seoul so greatly overmatches the DPRK?

A Sober View of the North Korean Threat

Of course, North Korea remains a scary actor--dangerous and unpredictable. Paradoxically, although new South Korean president Kim Dae Jung favors accommodation with the North, Pyongyang seemed to intentionally undercut his candidacy by endorsing him during the campaign.⁶⁰ (It may have preferred hard-liner Lee Hoi Chang, since his election would have allowed Pyongyang to more easily present the ROK as a continuing threat.) And provocations continue, including the recent assassination of a defector and the 1996 incident in which a North Korean submarine--

probably conducting espionage--ran aground off the South Korean coast. Indeed, some observers predict that the DPRK will increase its attempts to destabilize the South. Contends Lilley, "The North will do [its] utmost to kick them while they're down."⁶¹

Yet North Korea cannot gloat over the South's temporary economic problems, since they pale in comparison with the crisis facing the DPRK.⁶² The North may also be suffering from political instability. As well as well-publicized, high-level defections, there have been reports of executions of leading officials.⁶³

Nevertheless, the North has, so far, lived up to the essentials of the nuclear agreement negotiated nearly four years ago; apologized for the submarine incident in 1996; quickly released two villagers who strayed across the demilitarized zone late last year; joined four-power talks with China, South Korea, and the United States; inaugurated the first phone and fax connection with the South; and pursued various discussions with Seoul. Indeed, the North has taken a number of modest steps unthinkable a few years ago, such as allowing a group of women to visit relatives in Japan, international humanitarian groups to operate in the North Korean countryside, and South Korean technicians to construct the nuclear plants under the Framework accord.⁶⁴ Inter-Korean trade rose 4.6 percent, to \$250 million, in 1997.⁶⁵

There is also at least some (admittedly equivocal) evidence that Pyongyang is increasingly open to modest market liberalization.⁶⁶ An IMF delegation visited last fall and the World Bank is reportedly considering offering technical assistance to Pyongyang.⁶⁷ Shortly before Kim Dae Jung's inauguration, a senior North Korean official, Kim Yong Sun, wrote 70 South Korea leaders appealing for their support to promote inter-Korean reconciliation; Pyongyang also announced a program to help locate members of families separated by the war.⁶⁸

Peace Overtures

Modest though those actions may be, they reflect a sea change in North Korea's once unremitting hostility. In fact, Patrick Cronin of the National Defense University worries most about "the possibility of a peace overture from Pyongyang which, if not met immediately, could be quickly followed by harsh bumps in the road."⁶⁹ Why not respond to a peace overture with a peace overture? Or, better yet, make one first?

A Poisoned Carrot Strategy

The United States should continue to offer modest carrots--fulfill the Framework agreement, drop restrictions on trade and investment, and move to full diplomatic recognition--to demonstrate that Pyongyang gains from responsible behavior. (Washington relaxed economic sanctions only slightly after negotiating the Framework in October 1994; the two countries have spent three years in unsuccessful negotiations over opening

liaison offices.) Obviously, the United States should take nothing for granted when dealing with the North, but overly cautious and preoccupied Washington policymakers missed, in the summer of 1990, what appears to have been a window of opportunity for improving relations with the DPRK, when, observes *Washington Post* reporter Don Oberdorfer, Kim Il Sung's "traditional alliance with Moscow was in shambles and his alliance with Beijing was under growing stress."⁷⁰

The United States risks making the same mistake again. Administration negotiators have reportedly urged the North to reduce tensions, thereby allowing Washington to drop trade sanctions.⁷¹ But as Michael Mazarr, editor of the *Washington Quarterly*, observes, "U.S. officials have repeated the phrase 'The ball is in North Korea's court' so many times that it might as well be tattooed on their foreheads."⁷² North Korean officials, not unreasonably, make the same complaint. They say they have already taken dramatic action to reduce tensions--namely, frozen their nuclear program--in exchange for greater economic and political contacts. Indeed, Woodrow Wilson Center scholar Selig Harrison argues that "it was primarily because the United States promised to remove these sanctions that Pyongyang decided to conclude the nuclear freeze agreement."⁷³ Yet the North has received little in return.

DPRK officials have warned Americans that hard-liners point to the lack of a U.S. response as reason to abrogate the nuclear accord.⁷⁴ Such claims, though impossible to verify, are credible. Washington could make a significant symbolic, but essentially costless, gesture by lifting restrictions on contact with North Korea. Ending sanctions really would put the ball in the DPRK's court. Modest economic exchanges would not materially aid the North's military. As Mazarr explains, "Selling North Korea a thousand new tank engines would enhance its military power in a meaningful way; allowing a hotel chain to build a resort on one of the North's picturesque mountains would not."⁷⁵

The United States should also offer limited humanitarian aid, both bilateral and multilateral. For instance, the administration used the promise of continuing assistance to help induce the North to join four-power talks along with China and South Korea.⁷⁶ As is the case with ending sanctions, the goal is not to prop up the North Korean regime.⁷⁷ But refusing to help--though tempting, given the DPRK's awful human rights record⁷⁸--risks losing the larger game of maintaining peace until the communist regime in Pyongyang disappears. Measured amounts of aid demonstrate to the North that cooperation with the West gains more than do demands for additional concessions.⁷⁹

In conjunction with Japan and South Korea, Washington should dangle the possibility of investment, trade, and other benefits if the North undertakes serious discussions with Seoul. The Basic Agreements signed by the two Koreas in 1991 offer an obvious starting point for reducing the volatility of the still tense peninsula. The United States should indicate that economic ties with American enterprises would grow naturally once North Korea lost its pariah status. Japan would likely offer an aid package upon

normalization of relations with the DPRK, just as it did to South Korea in 1965.⁸⁰ The new government of Kim Dae Jung would also likely pay dearly, if more indirectly, to reduce tensions.

Washington should also use the prospect of an American troop withdrawal, something long demanded by Pyongyang (which pressed to include the issue of the U.S. troop presence on the agenda of the four-power talks), and the promise of no first use of nuclear weapons to challenge the North to respond in kind. Concessions by the DPRK might include having its forces stand down from the border and demobilizing some units of its extensive, if underequipped, army.⁸¹ The North has indicated its willingness to consider force redeployments and reductions as part of wider-ranging talks. If Pyongyang takes action, the United States and South Korea should quickly respond in kind. DPRK officials complain that American air superiority puts their nation at a military disadvantage, forcing them to position their military near the DMZ.⁸² Their argument is not entirely self-serving, given periodic ROK threats to march north and Washington's overwhelming military capabilities.

Here, again, Washington and Seoul need to test the DPRK's intentions. The message should be clear: responding to U.S. disengagement by reducing North Korea's threat to the South would yield a commensurate reduction in the forces facing the North. If the DPRK refused to reciprocate, Seoul ought to respond with whatever military buildup it deemed necessary.

The Four-Power Talks: Opportunity and a Potential Snare

The four-power talks, which resumed in March, offer an opportunity to replace a temporary armistice in a formal war with a permanent peace treaty. Observed Chinese deputy foreign minister Tang Jiaxuan at the conclusion of the first round last December, "This marks a very good beginning. We hope the establishment of a peace mechanism on the Korean Peninsula will not take another 43 years."⁸³ North Korea has, for the first time since the war, formally committed itself to talks directed at "the establishment of a peace regime on the Korean Peninsula and issues concerning tension reduction there."⁸⁴

It is, however, critical that the United States not offer a long-term guarantee of the peninsula's security, with or without China. (Last December president-elect Kim Dae Jung reiterated his support for "four-power guarantees for Korean peace.")⁸⁵ That arrangement would entail promises by the United States, China, Japan, and Russia to act to prevent conflict on the peninsula. Unfortunately, such a commitment would keep America enmeshed in Korean affairs at least as long as two competing regimes existed on the peninsula, and potentially forever. It would also maintain a potential flashpoint with Northeast Asia's three major powers. All of those nations should learn from World War I and build firebreaks to war through nonintervention, rather than create potential trans-

mission belts of conflict through promises of intervention. They should especially emphasize that they will stay out of any conflict inaugurated by their respective "clients."

Such a strategy would not only isolate any war, it would reduce the likelihood of conflict by making it clear that the aggressor would be on its own, without even a faint hope of support from its putative allies. Washington's goal should be to end its current unnatural and dangerous military commitment in Korea, not transform it into an equally unnatural and dangerous multilateral commitment.

Transferring Responsibility to the South

Most important, though, the United States should turn responsibility for South-North relations over to Seoul. Kim Dae Jung has already proposed high-level meetings leading to a summit between the two nations' leaders. (At the same time, he chose a known hard-liner to be his unification minister.) Pyongyang, in turn, seems to have lowered the volume of the usual stream of insults directed at the South (the DPRK held former president Kim Young Sam in special contempt).⁸⁶ Indeed, shortly before Kim Dae Jung's inauguration, Kim Yong Sun stated, "We make clear that we are willing to have dialogue and negotiation with anyone in South Korea." He added that his government was ready to "turn inter-Korean relations . . . into a relationship of conciliation and unity."⁸⁷ The DPRK indicated a conditional willingness to open direct talks with the South. Although caution is certainly warranted, the ROK should test the seriousness of Pyongyang's overtures.

Such a policy shift would offer a way out of today's unsatisfactory box: North Korea has long attempted to ignore the ROK in favor of Washington while the South has attempted to manipulate U.S. policy to serve Seoul's objectives. Both Korean governments have proven to be prickly, obstinate, and unreasonable. The result has been incessant whining on the part of the South and complaints by Seoul's American friends.⁸⁸ Indeed, with Washington offering a seemingly permanent and cost-free defense guarantee, the ROK has, according to former U.S. ambassador Richard Sneider, tended "to ignore or discount the costs we have to calculate in deciding how to react to North Korean provocations."⁸⁹ The solution is for America to announce that it plans to extricate itself from inter-Korean affairs and promote good bilateral relations with both countries (though its ties with South Korea are destined to long remain stronger than those with the North, for economic, historical, and political reasons).⁹⁰ Reunification seems inevitable; the only question is whether the process will be messy.⁹¹ The world has changed enough to allow Washington to absent itself and wish the two involved parties well.

Weaning the ROK from Its Dependence

Placing responsibility for Korea's future on the Korean people would encourage South Korea to become a more serious player, both domestically and internationally.

First, Seoul would face pressure to complete the process of democratization. The release of former presidents Chun Doo Hwan and Roh Tae Woo probably improves the prospects, not only of accommodation with the North, since Pyongyang's leaders are unlikely to agree to any form of reunification that puts them within the power of a vengeful ROK, but also of domestic political reconciliation. However, Seoul still needs to reform its repressive national security law that limits civil liberties and authorizes the arrest of political protestors, including those who favor a less hostile policy toward the North.⁹²

Second, the South would have to take a more responsible role internationally. Relations with Japan, for instance, remain tainted by Tokyo's admittedly brutal but distant colonial rule.⁹³ President Kim Young Sam fanned nationalistic passions in a dispute over Tokdo (Takeshima to the Japanese) Island in the Sea of the Japan.⁹⁴ Without the U.S. security umbrella, the ROK would have an incentive to work through historical hatreds and cooperate with like-minded states, of which Japan is the prime example.

To change U.S. policy, especially to change it so dramatically, would admittedly unsettle policymakers here and abroad. Those devoted to the status quo often respond to reform proposals with ad hominem rather than policy arguments.⁹⁵ But the world is changing. The U.S. commitment to Seoul was established during the Cold War, when an aggressive North Korea, backed by China and the Soviet Union, had the capability and desire to destroy the South. Today both sides of the equation have changed: the adversary's threat is significantly less, and the ally's ability to respond is dramatically greater. That has caused even mainstream analysts like George Wilson, former national defense correspondent for the *Washington Post*, and Selig Harrison to suggest reducing U.S. force levels in Korea.⁹⁶ A study group organized by scholars at the Economic Strategy Institute and the Woodrow Wilson Center endorsed an eventual full withdrawal of American soldiers.⁹⁷

Such an adjustment would not be a retreat to "isolationism," the usual term of opprobrium thrown at anyone who advocates the slightest change in America's current foreign policy.⁹⁸ The United States would retain interests in East Asia sufficient to warrant a continuing active cultural, economic, and political role. Militarily, the United States would retain a mid-Pacific presence with the capability of intervening in East Asia to thwart a hegemonic power, if necessary.⁹⁹

South Korea need not be America's perpetual security dependent--much less become an economic ward as well. Emblematic of Seoul's overall success is its \$19.6 billion bullet train project (scaled back in the aftermath of the economic crisis). The United States tosses around such sums with wild abandon, but \$19.6 billion is real money in Korea. Indeed, \$19.6 billion is about the annual GDP of North Korea. While Pyongyang is struggling to feed its people, the South can spend the equivalent of the N-

orth's entire economy on a massive rail system. The ROK has decisively won the competition between the two political and economic systems.

Current economic and political travails notwithstanding, South Korea has matured as a nation. One characteristic of mature countries is that they defend themselves, rather than remain dependent on others. Indeed, the recent economic crisis has stirred up South Koreans' latent xenophobia, causing anger about supposed American and Japanese neocolonialism and a frenzied (though perhaps only temporary) rejection of foreign products.¹⁰⁰ A healthier response would be for South Korean citizens to resent their unnecessary, unnatural, and humiliating security dependence on the United States and to take corrective steps.

Seoul and Washington should negotiate the phased withdrawal of U.S. forces and the termination of the Mutual Defense Treaty and establish instead an informal cooperative military and political relationship between equals. Only then will South Korea's transformation from political child to adult be complete.

Notes

1. See, for example, Frank Ching, "Korean Election Tarnishes All," *Far Eastern Economic Review*, December 11, 1997, p. 36.
2. See, for example, "South Korean Leader Expands Personal Ties," *Nikkei Weekly*, February 2, 1998, p. 23; and Shim Jae Hoon and Charles S. Lee, "Now, Rule," *Far Eastern Economic Review*, January 8, 1998, pp. 14-16. Still, he is likely to find, as have so many politicians before him, that reconciling economic reality with campaign promises is not easy. He has supported expanded unionization, shorter work hours, and creation of an unemployment safety net. Shim Jae Hoon, "The Outsider," *Far Eastern Economic Review*, December 11, 1997, p. 23. That may make other economic reforms harder to achieve.
3. See Meredith Woo-Cumings, "How Industrial Policy Caused South Korea's Collapse," *Wall Street Journal*, December 8, 1997, p. A24.
4. "Wild Careers," *The Economist*, February 14, 1998, p. 67.
5. See, for example, Andrew Sherry et al., "State of Inertia," *Far Eastern Economic Review*, December 11, 1997, pp. 16-20. Still, officials continue to resist some of the

politically painful steps that must be taken. For example, the debt-restructuring negotiations proved to be torturous. Michael Schuman et al., "Korea Mixes Signals on U.S. Bank Plans," *Wall Street Journal*, January 16, 1998, p. A11.

6. Namju Cho and Michael Schuman, "Foreign Investors Ease Back into Korean Stocks," *Wall Street Journal*, January 6, 1998, pp. A12, A14.

7. Doug Bandow, *Tripwire: Korea and U.S. Foreign Policy in a Changed World* (Washington: Cato Institute, 1996), pp. 40-41.

8. *Ibid.*, pp. 75-76.

9. Ministry of National Defense, *Defense White Paper: 1991-1992* (Seoul: Republic of Korea, 1992), p. 31.

10. Ministry of National Defense, *Defense White Paper: 1989* (Seoul: Republic of Korea, 1990), p. 118.

11. International Institute for Strategic Studies, *The Military Balance: 1997-98* (London: Oxford University Press, 1997), pp. 183-84.

12. See, for example, Carroll Bogert, "Secrets and Lies," *Newsweek*, September 22, 1997, pp. 42-45. The relief organization World Vision makes the astounding estimate of a 15 percent death rate in North Korea. World Vision, "Survey Finds 15 Percent May Be Dead from Famine in North Korea," Press release, September 15, 1997, pp. 1-3. Other estimates suggest a mortality rate as high as 25 percent in the worst-hit rural areas. Scott Snyder, "North Korea's Decline and China's Strategic Dilemmas," United States Institute for Peace Special Report, October 1997. The UN World Food Program hopes to provide food to 7.5 million people, a third of the population, in 1998. "UN to Provide More Food Aid for North Korea," *Washington Post*, November 27, 1997, p. A40. See also Kevin Sullivan, "North Korea Says It Is Running Out of Food," *Washington Post*, March 2, 1998, p. A11; and "North Korea's Dreadful Spring," *The Economist*, March 7, 1998, p. 42.

The international Red Cross warns that North Korea's health system is also "close to collapse." "Red Cross Seeks Aid for North Korea," *Washington Times*, November 26, 1997, p. A16. Dr. Eric Goemaere, director-general of the French

humanitarian group Doctors Without Borders, says North Korean hospitals have "nothing to offer to the patients." "Medical Shortages Seen Killing N. Koreans," *Washington Times*, December 8, 1997, p. A13. The North does not even have enough money to pay for health insurance for its diplomats; UN ambassador Kim Hyong U received care only through the charity of Korean-Americans. Barbara Crossette, "Korean-Americans Assist an Ailing Envoy from the North," *New York Times*, September 3, 1997, p. A3. The government is also scaling back its diplomatic operations overseas, a significant blow to Pyongyang's national esteem. "North Korea to Cut Diplomatic Operations," *Washington Post*, March 15, 1998, p. A23. In short, the DPRK's "socialist system," argues *Washington Post* reporter Keith Richburg, "simply has ceased to function." Keith Richburg, "Beyond a Wall of Secrecy, Devastation," *Washington Post*, October 19, 1997, p. A1.

13. Recent studies of Russia's and China's complex relationships with the two Koreas include Mikhail Nosov, "Challenges to the Strategic Balance in East Asia on the Eve of the 21st Century: A View from Russia," Center for Naval Analyses, CIM 522, August 1997; and Snyder.

14. See, for example, Shim Jae Hoon, "Disillusioned Donors," *Far Eastern Economic Review*, December 4, 1997, pp. 28-30.

15. Quoted in "CIA: War in Korea Unlikely Soon," *Washington Times*, December 5, 1997, p. A11.

16. For instance, the DPRK's active duty forces are thought to number 1,055,000, compared to 672,000 for the South. There are similar disparities in numbers of tanks and artillery pieces. International Institute for Strategic Studies, pp. 183-86.

17. Bandow, *Tripwire*, pp. 133-34.

18. William Taylor, "American Economic and Security Interests in the Korean Peninsula," Paper presented to the Study Group on American Interests in Asia: Economic and Security Priorities, Economic Strategy Institute, Washington, December 12, 1996, p. 17. Emphasis Taylor's. Other analysts advocate improving U.S. response capabilities in the event of a war. John Cushman, "The QDR: Make a Bold Move," *Proceedings*, September 1997, p. 6. Leading congressional

Republicans talk about enhancing U.S. security commitments and military capabilities in Korea. Doug Bereuter, "Prospects for U.S.-North Korean Relations: The Congressional Viewpoint," *Korea Economic Institute of America's Korea Economic Update*, June 1997, p. 3.

19. "Burson-Marsteller to South Korea's Rescue," *National Journal*, January 17, 1998, p. 1; and Peter Stone, "South Korea's Man in Washington," *National Journal*, January 3, 1998, p. 29.

20. Quoted in Selig Harrison, "Promoting a Soft Landing in Korea," *Foreign Policy* 106 (Spring 1997): 73.

21. "Banks Seek to Buy Time in Korean Rollovers," *Wall Street Journal*, January 6, 1998, pp. A12, A15.

22. Quoted in Paul Shin, "South Korea to Get \$10 B," *Associated Press*, December 25, 1997.

23. Quoted in Andrew Pollack, "S. Korea Firms Face a Foreign Takeover Wave," *San Diego Union-Tribune*, December 27, 1997, p. A19. If Kim lives up to his word, South Korea's economy should rebound quickly. Kim promised to end the existing system of crony capitalism: "I will sever all businesses from political shackles and protection. Businesses must survive in a free-market economy and through global competition." Quoted in "Kim Grants Amnesty to Ex-Presidents," *San Diego Union-Tribune*, December 20, 1997, p. A12. He voiced similar opinions after his inauguration. "A New Helmsman," *Far Eastern Economic Review*, March 26, 1998, pp. 13-14.

24. Compare Nicholas Kristof, "A South Korean's Rise to Free Market Evangelist," *New York Times*, January 25, 1998, p. 10; Shim Jae Hoon and Charles S. Lee, "Reality Check," *Far Eastern Economic Review*, March 12, 1998, pp. 18-19; and Don Kirk, "Political Standoff in South Korea," *Washington Post*, March 4, 1998, p. A15. The government has also proved reluctant to allow bankrupt firms to fail. Michael Schuman, "South Korean Crisis May Deepen As Ailing Firms Are Kept Alive," *Wall Street Journal*, March 13, 1998, p. B9C.

25. Doug Bandow, "The IMF: A Record of Addiction and Failure," in *Perpetuating Poverty: The World Bank, the IMF, and the Developing World*, ed. Doug Bandow and Ian Vásquez (Washington: Cato Institute, 1994), pp. 15-36. Aid from other

institutions has been no more effective. See, for example, Doug Bandow, "Help or Hindrance: Can Foreign Aid Prevent International Crises?" Cato Institute Policy Analysis no. 273, April 25, 1997; and Doug Bandow, "A New Aid Policy for a New World," Cato Institute Policy Analysis no. 226, May 15, 1995.

26. Lawrence Lindsey, "The Benefits of Bankruptcy," *Weekly Standard*, January 12, 1998, p. 26.

27. *Ibid.*, p. 27. U.S. semiconductor producers also worry that American aid will effectively underwrite their competitors. See, for example, Dean Takahashi, "Micron Opposes South Korean Bailout, Concerned about Aid to Chip Makers," *Wall Street Journal*, December 2, 1997, p. B10.

28. Quoted in Sonni Efron, "Seoul-Searching," *Los Angeles Times*, February 28, 1998, p. D1.

29. Quoted in Kevin Sullivan, "Soros Buys Korean Stocks," *Washington Post*, January 6, 1998, p. D1. See also Patrice Hill, "Financiers Offer Billions If S. Korea Enacts Reform," *Washington Times*, January 6, 1998, p. A9.

30. Robert Novak, "Befuddled by the Bailout," *Washington Post*, December 29, 1997, p. A17.

31. Quoted in David Sanger, "U.S. Emergency Aid for S. Korea," *San Diego Union-Tribune*, December 25, 1997, p. A23.

32. Quoted in Andrew Pollack, "Package of Loans Worth \$55 Billion Is Set for Korea," *New York Times*, December 4, 1997, p. D6.

33. Quoted in Steven Pearlstein, "White House Goes to Hill Panel with Request for More Asia Aid," *Washington Post*, January 31, 1998, p. A4.

34. Stanley Chan, "The American Military Capability Gap," *Orbis* 41, no. 3 (Summer 1997): 391.

35. See, for example, Richard Newman, "Girding for 'Implosion,'" *U.S. News & World Report*, October 27, 1997, pp. 45-48.

36. See, for example, Paul Kengor, "Standoff with N. Korea Requires Two-War Posture," *Defense News*, February 16-22,

1998, p. 29.

37. Bandow, *Tripwire*, pp. 71-73.

38. Cost estimates are from conversations with South Korean defense officials, Seoul, Republic of Korea, July 18, 1995.

39. Don Oberdorfer, *The Two Koreas: A Contemporary History* (Reading, Mass.: Addison-Wesley, 1997), p. 106.

40. Quoted in Doug Bandow, "Seoul Long," *American Spectator*, November 1990, p. 35.

41. Mary Jordan, "U.S. Involvement in S. Korea Raises Concerns of Backlash," *Washington Post*, January 23, 1998, p. A30. Naturally, American officials, who are desperate to maintain the ROK's dependent status, have agreed to accept a diminution of host-nation support.

42. Quoted in Melinda Liu and Hideko Takayama, "The Tigers Teeter Dangerously," *Newsweek*, December 8, 1997, p. 49.

43. Quoted in Kevin Sullivan, "Koreas' Ills Compete for Attention," *Washington Post*, January 6, 1998, p. A10.

44. David Sanger, "South Korea's Crisis Hinders Nuclear Deal with the North," *New York Times*, February 5, 1998, pp. A1, A8.

45. President Kim has since promised to fulfill the agreement, but some analysts have suggested using South Korea's economic distress as an excuse for reneging on the deal entirely. Victor Gilinsky and Henry Sokolski, "A Silver Lining to Asia's Financial Crisis," *Washington Post*, January 19, 1998, p. A25. To do so, however, would be to risk reigniting the nuclear crisis that previously brought the two Koreas and the United States to the brink of war. Oberdorfer, pp. 316-26. The nuclear issue is painfully complex, but the most important goal should be to avoid any risk of military action. Bandow, *Tripwire*, pp. 103-45. It makes far more sense to play out the political endgame, which the United States and the ROK have won, than to risk everything to save the South Koreans, who have benefited so much from American defense subsidies for so long, a little money.

46. *Ibid.*, pp. 162-63.

47. Ibid., pp. 165-66.

48. Various models, ranging from garrison state to Swiss neutrality, have been suggested as possibilities for a united Korea. Ben Kremenak, *Korea's Road to Unification: Potholes, Detours and Dead Ends* (College Park, Md.: Center for International and Security Studies at Maryland, May 1997), pp. 59-71. In any case, a united Korea, especially one made more productive after the North entered the world marketplace, that maintained existing defense expenditures would prove very expensive to swallow.

49. Bandow, *Tripwire*, pp. 19, 66.

50. Rasmussen Research, "Most Think U.S. Defense Obligations Should Include Only Three Countries--Canada, Mexico, and Great Britain," Press release, August 8, 1997, p. 1.

51. Quoted in David Pitt, "Seoul, U.S. Forces and the North: The Balance Is As Delicate As Ever," *New York Times*, April 8, 1987, p. A10.

52. Warren Christopher, "Strengthening Ties between the United States and South Korea, Remarks at the Inaugural Reception for the Korean-United States Twenty-First Century Council, Washington, February 17, 1994," U.S. Department of State *Dispatch*, February 28, 1994, p. 104.

53. "29th US-ROK Security Consultative Meeting Communiqué," *U.S.-Korea Review*, November-December 1997, p. 9.

54. Quoted in Jim Lea, "N. Korea Threat Alive, Official Says," *Pacific Stars & Stripes*, September 9, 1995, p. 1.

55. Quoted in Barbara Opall, "U.S. War Game: China Looms after Korean Reunification," *Defense News*, November 10-16, 1997, p. 48.

56. See Chan, pp. 393-99.

57. Ted Galen Carpenter, "Washington's Smothering Strategy: American Interests in East Asia," *World Policy Journal* 14 no. 4 (Winter 1997-98): 21.

58. The prospect of Chinese assertiveness, if not aggressiveness, poses a particularly serious challenge for current U.S. policy since all of America's allies desire protection from attack but are unwilling to support U.S. policy in

defense of any other state, such as Taiwan. Warns Carpenter, "If China does make a bid for regional hegemony at some point, there is literally no power other than the United States that is positioned to block that bid. That is a blueprint for a U.S.-Chinese war in which China's neighbors conveniently remain on the sidelines." Carpenter, p. 27.

59. William Rusher, "Will Ground Troops Follow?" *Washington Times*, February 5, 1998, p. A12.

60. Shim Jae Hoon, "Always with Us," *Far Eastern Economic Review*, December 18, 1997, pp. 20-21.

61. Quoted in Barbara Opall, "Instability Anticipated in S. Korea," *Air Force Times*, December 22, 1997, p. 28.

62. As serious as the DPRK's situation is, it would be unwise to assume that collapse is either imminent or inevitable. See, for example, Marcus Noland, "Why North Korea Will Muddle Through," *Foreign Affairs* 76, no. 4 (July-August 1997): 105-18.

63. Sang-Hun Choe, "N. Korea Accused of Executions," *San Diego Union-Tribune*, February 19, 1998, p. A12. There have even been unconfirmed reports of fighting between police and military forces in Pyongyang. "Vague Reports of Unrest in Shuttered North Korea," *New York Times*, March 8, 1998, p. A4.

64. The latter alone is resulting in unprecedented contact between workers from South and North. Shim Jae Hoon, "Nuclear Test," *Far Eastern Economic Review*, September 4, 1997, p. 16.

65. In fact, the North accounted for \$190 million of the trade, principally in gold and other minerals. Seoul shipped \$60 million worth of petrochemicals and textiles. "Korea: Bilateral Trade Up," *Far Eastern Economic Review*, February 5, 1998, p. 57.

66. Compare Nicholas Kristof, "North Korea's Favorite Son Wins Top Title," *New York Times*, October 9, 1997, p. A10, and Harrison, "Promoting a Soft Landing in Korea," with "In Other Words," *Far Eastern Economic Review*, August 14, 1997, p. 11. Secretly recorded conversations with Kim Jong Il indicate that while he desires to modernize his country, he is aware of the political upheaval that could result. See,

for example, Oberdorfer, pp. 349-50. At the same time, he worries that mass starvation could result in "anarchy." Ibid., p. 395.

67. J. C. Yang, "Global Groups Beat Path to Pyongyang," *Nikkei Weekly*, February 2, 1998, p. 21.

68. "N. Korea Sends Appeal to South," *San Diego Union-Tribune*, February 20, 1998, p. A16.

69. Quoted in Opall.

70. Oberdorfer, p. 225.

71. Carol Giacomo, "U.S. May Open Trade with N. Korea If It Cuts Regional Tension," *Washington Times*, March 12, 1998, p. A9.

72. Michael Mazarr, "Korea: A Time to Be Bold?" *National Interest* 51 (Spring 1998): 92.

73. Harrison, "Promoting a Soft Landing," p. 62.

74. Ibid., p. 63.

75. Mazarr, p. 94.

76. R. Jeffrey Smith, "North Korea Agrees to Meeting to Begin Work on Peace Treaty," *Washington Post*, November 22, 1997, p. A14.

77. There is a long history of food aid's being misused by other dictatorial states. John Pomfret, "New Crisis, Old Pitfalls Loom in N. Korea," *Washington Post*, September 23, 1997, p. A12. There is also evidence that North Korea might have diverted some humanitarian aid to the military. Mindy Belz, "The Tin-Cup Tyranny," *World*, December 6, 1997, pp. 19-20. But humanitarian groups contend that large-scale transfers have not occurred. See, for example, Andrew Browne, "Foreign Aid Staves Off Famine in North Korea," *Washington Times*, October 6, 1997, p. A11. Seoul has seconded North Korean denials that Pyongyang was selling donated food. "North Korea Accused of Reselling Food," *Washington Times*, July 23, 1997, p. A12. Nevertheless, too much aid will not only save helpless civilians but prop up the existing regime.

78. See, for example, William Taylor and Glenn Baek, "Worse Than China," *Washington Post*, November 2, 1997, p. C7.

79. For instance, Washington donated 170,000 tons of food to the North in 1997. In the same year, the United Nations World Food Program provided 360,000 tons to help feed 4.7 million people. The UNWFP hopes to expand its work in 1998, and Pyongyang has agreed to allow more intensive monitoring to ensure civilian use of the food. John Goshko, "U.N. Asks for \$378 Million in Food Aid for North Koreans," *Washington Post*, January 7, 1998, p. A9.

80. That \$500 million package would now be worth about \$5 billion.

81. Some North Koreans have suggested that they don't oppose a continuing presence of U.S. forces so long as they keep the South in check. Oberdorfer, p. 402; Bandow, *Tripwire*, pp. 98-99; Harrison, "Promoting a Soft Landing," pp. 69-71. The possibility of aggression by South Korea stretches back to Syngman Rhee, the ROK's first president. Some U.S. officials had much the same fear as did Kim Young Sam. Oberdorfer, p. 392. Of course, the last thing Washington should do is perpetuate its Korean security presence by partially directing it *against* its long-time ally, Seoul.

Ruling out the use of nuclear weapons may be particularly important in encouraging the North to fulfill its pledge to allow comprehensive inspections of nuclear facilities. As Harrison explains, if Seoul and Washington "expect the North to surrender its nuclear option, they must be prepared to give up the concept of nuclear deterrence as the basis for the South's defense." Selig Harrison, "U.S. Policy toward North Korea," in *North Korea after Kim Il Sung*, ed. Dae-Sook Suh and Chae-Jin Lee (Boulder, Colo.: Lynne Rienner, 1998), p 75.

82. *Ibid.*, p. 73.

83. Quoted in "First Session of Korean Peace Talks Closes," *Washington Post*, December 11, 1997, p. A30.

84. Steven Lee Myers, "Starting on a 'Long Road,' North Korea Agrees to Talks with Seoul, U.S. and China," *New York Times*, November 22, 1997, p. A5. The process has been far from smooth, for the DPRK still frequently practices diplomatic brinkmanship. "North Korea Threatens to Leave Peace

Talks," *Washington Post*, March 22, 1998, p. A24.

85. Kim Dae Jung, "President-Elect Kim Addresses the Nation," *U.S.-Korea Review*, November-December 1997, p. 19.

86. Sullivan, "Koreas' Ills Compete for Attention," p. A10.

87. Quoted in Paul Shin, "N. Korea Offers Line of Communication to Its Southern Rival," *San Diego Union-Tribune*, February 19, 1998, p. A15.

88. See, for example, Daryl Plunk, "A Silver Lining in Korea's Crisis: New Pledges Signal Hope for Economic Recovery and Peaceful Reunification," Heritage Foundation Backgrounder no. 169, January 15, 1998, pp. 5-6. Amazingly, the Clinton administration felt the need to ask the ROK for permission to hold bilateral meetings in Washington with North Korea's vice foreign minister. South Korea should not be given veto power over U.S. policy toward the North.

89. Quoted in Oberdorfer, p. 82.

90. One of the most important differences between America and Japan is the fact that ethnic Koreans in the former, in contrast to the latter, have always shared family and community ties with the South. See, for example, Matt Miller, "Ties That Bind," *Far Eastern Economic Review*, January 22, 1998, pp. 27-28.

91. The dramatic differences between the systems alone ensure that the process will be difficult. Kremenak, pp. 25-58. Thus, neither Korea is likely to be in much of a hurry for reunification. Both countries viewed the German experience with apprehension. During my visit in August 1992, officials in Pyongyang expressed their concern about the survival of their "social system" and of being "swallowed" by the South. South Koreans, in contrast, fear the cost of attempting to reconstruct the DPRK, a burden that seems even harder to bear after the recent financial crisis. Economist Marcus Noland estimates that the expense could be as much as \$1 trillion. Noland, p. 114. See also Nicholas Kristof, "In South, Korean Unity Appealing in Abstract Only," *New York Times*, August 31, 1997, p. 10.

92. The ROK continues to prosecute its own citizens for failing to treat official South Korean policy as infallible. "Trial Begins of South Korean Activist," *Washington Post*, January 31, 1998, p. A16. Seoul is even willing to prose-

cute American citizens for publishing information in the United States. See, for example, Nicholas Kristof, "News in U.S. Can Be 'Rumor' in Seoul, and Lead to Jail," *New York Times*, January 7, 1998, p. A3. President Kim has offered to change the law, but only if the DPRK takes a "corresponding step." "Kim Won't Abolish National Security Law," *Washington Times*, March 13, 1998, p. A14. Although Kim announced a sweeping amnesty, he actually freed only a handful of political prisoners. Kevin Sullivan, "S. Korea Frees 74 Political Prisoners," *Washington Post*, March 14, 1998, p. A19; Nicholas Kristof, "New South Korean Leader Grants Sweeping Amnesty to 5.5 Million," *New York Times*, March 14, 1998, p. A1; and Nicholas Kristof, "Seoul Leader, Ex-Inmate Himself, Is Slow to Free Political Prisoners," *New York Times*, March 10, 1998, p. A1. Moreover, Kim has used his prosecutorial power to intimidate the political opposition. Dane Lee, "S. Korean Leader; Probe Is Pry Bar on Opposition," *Washington Times*, March 10, 1998, p. A13.

93. In fact, the causes of hostility go back even further--at least 400 years. Nicholas Kristof, "Japan, Korea and 1597: A Year That Lives in Infamy," *New York Times*, September 14, 1997, p. 3.

94. The third-place finisher in December's presidential election, ruling party cabinet minister turned independent candidate Rhee In Je, actually journeyed to the barren rock to wave a South Korean flag.

95. See, for example, U.S. Committee to Expand NATO, "Cato Study Fundamentally Flawed, Claim Leading Experts on NATO Expansion," October 28, 1997, p. 1, which denounces my proposals to withdraw U.S. troops from the Korean peninsula as being "well outside the mainstream of responsible opinion."

96. George Wilson, "Back-to-Back Deployments Wrong," *Army Times*, November 10, 1997; and Harrison, "U.S. Policy toward North Korea," pp. 71-72.

97. "Recommendations of the Study Group on American Interests in Asia: Economic and Security Priorities," Sponsored by the Economic Strategy Institute, Draft report, February 1998.

98. See the discussion in Carpenter, p. 20.

99. Bandow, *Tripwire*, pp. 177-79.

100. See Joanna Slater, "What's in a Name?" *Far Eastern Economic Review*, March 26, 1998, pp. 14-15; Shim Jae Hoon and Charles S. Lee, "Unlocking the Citadel," *Far Eastern Economic Review*, March 26, 1998, pp. 10-12; Don Kirk, "Angry S. Koreans Target Foreigners," *Washington Post*, March 12, 1998, p. D3; Michael Baker, "Koreans Forgo Pop Tarts to Eat into Public Debt," *Christian Science Monitor*, January 30, 1998, pp. 1, 19; Andrew Pollack, "Frugal Koreans Rush to Rescue Their Rapidly Sinking Economy," *New York Times*, December 18, 1997, pp. A1, D9; Sang-Hun Schoe, "S. Koreans Hold First Big Rally, Rip IMF Bailout," *Washington Times*, December 14, 1997, p. A8; Mary Jordan, "TV Restrictions Broadcast a Message," *Washington Post*, December 13, 1997, p. A16; John Burton, "Koreans Resist the Economic Facts," *Financial Times*, December 12, 1997, p. 4; and Andrew Pollack, "Koreans Not Rushing to Shake the Hand Holding the Bailout Check," *New York Times*, December 5, 1997, pp. D1, D2.

Some of the resentment has taken on an explicitly anti-American tone, which could rightly be regarded as incredibly ungrateful, given 40 years of U.S. security assistance and the more recent financial bailout. See Nicholas Kristof, "Many Proud South Koreans Resent Bailout from Abroad," *New York Times*, December 11, 1997, pp. A1, D4. By early 1998 the anti-American frenzy seemed to have abated a bit. Nicholas Kristof, "Asians Worry That U.S. Aid Is a New Colonialism," *New York Times*, February 17, 1998, p. A4. Ironically, anti-Americanism first arose last year among Thais and Malays, in particular, who were angry that the United States did not intervene to bail them out. See, for example, Michael Vatikiotis, "Pacific Divide," *Far Eastern Economic Review*, November 6, 1997, pp. 14-16.