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North Korea's Nuclear Program

Getting Perspective and Weighing Policy Options

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Defining the Problem

How one attempts to solve a problem often depends on how the problem itself is defined. North Korea is openly and actively seeking to complete a nuclear and ballistic missile arsenal. Why is this a problem? What implications does it have? Should it be stopped? Can it be stopped? If so, how? The situation is open to various interpretations, each of which leads to a different definition of the problem. Before looking at what might be done, it is important to look at the situation from different angles, if only to ascertain whether our initial assumptions about it are sound.

North Korea as Rogue State

The declared view of the Bush administration is that North Korea is a rogue state with a record of terrorism, a proclivity to aggression and a dismal track record as regards keeping agreements, specifically including agreements about nuclear weapons research and development. It has, in Kim Jong-il, a leader who is both totalitarian and so crazy as to be dangerously unpredictable. He is a dictator who has watched two million of his compatriots die of starvation and has imprisoned at least 200,000 others. If he gets useable nuclear weapons, he might pose a reckless threat to the United States or supply nuclear weapons to terrorists. He must, therefore, be prevented from acquiring such weapons.

It won't do merely to dismiss this interpretation as the propaganda of neo-conservatives in Washington bent on regime change in North Korea. There are many reasons why regime change in North Korea would be a good thing, both for its own people and for everyone else in the region. Yet imposing

regime change could entail a destructive war, or the collapse of all that is left of order in North Korea, with grievous consequences for its people and immense costs to those charged with putting things back together again. It is chiefly for this reason that careful thought about the matter is required.

Such careful thought suggests that more than one interpretation of North Korea's behaviour is possible. The Bush administration may be mistaken less in its basic factual claims about North Korea – dictatorship, famine, repression, violation of the Non-Proliferation Treaty (NPT) and the Agreed Framework, illegal export of Weapons of Mass Destruction (WMD) technologies, active work on nuclear weapons and long range ballistic missiles – than in its assessments of what these realities denote. What looks to neo-conservative eyes in Washington to be malign intent and faithless bargaining may in fact be maladroit but more or less rational efforts to survive by a floundering regime. If so, quite different policy options arise.

No matter how malign North Korea may be, it is a small and backward country with extremely limited military capabilities and an economy that has disintegrated in the past decade or more. It could, therefore, be strategically contained, even if it did become nuclear armed. This is especially so if, in fact, its nuclear program is intended to be a deterrent against a feared US attack. While it is not entirely clear how a small nuclear arsenal could effectively be used by North Korea in the event of general war, it is commonly believed that the mere possession of it would deter such a war being initiated by the US or its allies.

The problem is not limited, however, to whether a nuclear-armed North Korea could be strategically contained. While it could, in all probability, be deterred from attacking either the US or its allies, its blatant breakout from the NPT sets a dangerous precedent that could lead to the complete breakdown of that treaty. Japan and South Korea, it is feared, might go nuclear. Iran might feel it could violate or renounce the NPT with impunity. There could be an arms race in East Asia, for which North Korea was merely the catalyst.

Moreover, the dire poverty and economic isolation of North Korea have long since led it to use illicit means to raise funds to sustain the regime, if not its people. Among these means have been the export of both weapons technologies and illicit drugs. Should North Korea complete the fabrication of atomic bombs, it might go so far as to sell one of them – or lethal radiological material

– to terrorists bent on perpetrating atrocious attacks elsewhere in the world. Before 9/11, this may have seemed far-fetched. It does not seem so now.

Such considerations easily blur into one another, making the clear articulation of policy options more than usually difficult. They are, in any case, difficult in regard to North Korea because of the extraordinary nature of the regime in Pyongyang. For decades, it has been the most closed society in the world. In present circumstances, even Burma, Cuba and Iran are less sealed off from the outside world. Its secretiveness and its relentless system of internal information controls render its decision-making processes far more opaque than almost any other country's. This, of course, increases the scope – considerable in any such strategic confrontation – for misunderstanding, mistrust and misperception.

Is the US the Problem?

There is a body of opinion that, notwithstanding all the above basic factual claims, North Korea itself is not the problem. In this view, the US is the problem and the Bush administration, in particular, it has exaggerated the North Korean threat in order to rationalize its own exorbitant military expenditures, especially on missile defence systems; its senior members, including President Bush, have openly vilified North Korea as part of an 'axis of evil' and denounced Kim Jong-il; and it has invaded Iraq, overthrowing Saddam Hussein and proclaiming its willingness to do likewise in other cases on a pre-emptive basis.

Because of the strong feelings evoked by both North Korea's totalitarianism and the Bush administration's unilateralism, argument can easily become heated on this issue. What is not in dispute, however, is that North Korea has reacted to US vilification and to the invasion of Iraq, in particular, by hardening its own stance. The North Korean leaders have concluded not only that the US would be impossible to mollify through inspections or non-aggression agreements, but that it might well invade North Korea if it is not deterred from doing so by a North Korean atomic bomb.

Only the most elementary psychology or game theory is required to understand that, from late March 2003, North Korea and the US have been caught in a spiral of mutual recrimination and distrust that would be very difficult to reverse and which could all too easily degenerate into one form or another of conflict. As the occupation of Iraq became more difficult through

the northern summer and autumn of 2003, the US sought to finesse the nuclear issue with North Korea through multilateral talks. The initial meetings were not fruitful.

Alongside concern about US unilateralism and the way it seems to have pushed North Korea into a very defensive posture, there is the consideration that the major nuclear powers, starting with the US, are deeply compromised in regard to nuclear proliferation, because they are themselves violating the provisions of the NPT. They are blatantly maintaining and even upgrading their nuclear arsenals, in spite of specific undertakings to do away with them. Worse still, both the US and UK have renounced their previous 'no first-use' policies and now talk openly of pre-emptive use of nuclear weapons.

Under these circumstances, there is not much moral or legal basis for the US demanding that North Korea honour the NPT while the United States itself declines to do so. Indeed, the US readiness to consider pre-emptive use of nuclear weapons surely reinforces the view of those in North Korea who believe it must acquire at least some atomic bombs as a rudimentary deterrent to US military intervention. The fears in Washington and Pyongyang are, under this scenario, reinforcing one another and sharply increasing the danger of both conflict and nuclear war.

A Middle View

The balance of informed opinion would seem to be that North Korea has found itself in an institutional dead-end since the collapse of the Soviet Union and has floundered in its efforts to improvise a way out. Kim Jong-il is eccentric, but not crazy. The regime around him is totalitarian, but not for that reason incapable of geopolitical rationality. It is, for all practical purposes, bankrupt, but has been seeking ways of adjusting economically without bringing about its own demise. Its nuclear weapons program subsumes several different purposes, which are not altogether coherent. Getting it dismantled will depend on creating a workable solution to the underlying institutional problem, or else seeking to overthrow the regime altogether.

The problem, in these circumstances is threefold. First, that few people, including those in the White House responsible for national security policy, have much knowledge of North Korea, let alone sympathy for its difficulties. This seriously complicates their interactions with it. Second, with the best will in the world, a solution to the underlying problem is going to be very difficult

to engineer. It will entail what Max Weber called 'the slow boring of hard wood'. The impatient desire to end the injustices and weapons programs of the North Korean regime is likely to exacerbate both in the short term and produce very high cost outcomes in the medium term.

Third, North Korea presents a clear policy challenge which cannot be ignored. The challenge confronting Western and East Asian policy makers is, therefore, to overcome their ignorance, frustration and scorn regarding North Korea; to tackle the intricate issue of institutional renovation imaginatively and with steady nerves; and to avoid the costs of upheaval (war or regime disintegration) if at all possible, unless they are willing to shoulder the military, economic and moral burden of the costs that these options would entail.

All this presents an enormous challenge. The stage has been set for a dangerous confrontation. It is a time for very cool heads to consider policy options that might resolve the situation short of war. The question is simply, what is the most rational thing to do in these circumstances? Above all, what will the US do? What should the Australian government urge it to do, or not do?

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Background to the Problem

Some basic historical background is indispensable. It needs to embrace a basic awareness of Korea's rich and complex historical identity, an understanding of how North Korea became what it is politically and economically; and an understanding of how and why it has developed a nuclear weapons program. Absent such background understanding, reactions to North Korean rhetoric and fear of North Korean intentions are very likely to be shallower and more emotional than they need be. We cannot afford such reactions if the matter is to be handled intelligently.

Deep Background: Korea's Ancient History

Koreans date their history back 5,000 years, to King Tangun, founder of the legendary kingdom of Old Choson. Historically, King Wi'man built Choson up into a considerable state in the 3rd century BCE. However, the Han Chinese conquered it in 108 BCE, ruling the northern half of the peninsula thereafter for some centuries, at the same time that the Romans ruled Britain. In the south, however, several independent states emerged: Chinhan, Mahan and Pyonhan.

Korea's experience of foreign invasion and internal division therefore goes back at least 2,100 years.

In the third and fourth centuries CE the states of Paekche (in the south west part of the peninsula), Koguryo (in the far north) and Silla (extending from the western coast around where Seoul stands today, right through the southeast and up most of the east coast) arose. All three had interesting histories, but Koguryo is a striking antecedent to North Korea and Silla to the prosperous South. Awareness of such antecedents gives insight both to Korean mindsets and to more sophisticated perspectives than those dominated by Cold War perceptions.

Silla was consolidated as a kingdom by King Naemul (356–402 CE). King Kwanggaet'o of Koguryo (391–432 CE) consolidated the northern kingdom, making his capital at Pyongyang. In the sixth and early seventh centuries, the kings of Silla made alliance with Koguryo to beat off invasions from Japan, then made alliances with Sui and Tang China to overthrow Paekche and Koguryo. Silla's triumph, in 668 CE, saw the first unification of 'Korea', though it was not called that. In the following eight years, the lords of Silla drove Chinese armies off the peninsula. These were the glory days of classical Korea. When Koreans imagine national reunification, these epic wars inform their imaginings.

The remains of Koguryo, in the far north, were welded into a successor kingdom, Parhae, by Tae Cho-yong. Parhae was a substantial, highly civilized kingdom, with strong links to Tang and Sung dynasty China. Silla flourished for three hundred years; but, in the tenth century, Koguyro revived and its general Wang Kon conquered Silla, married a Sillan princess, unified the peninsula and renamed it Koryo, a shortened form of Koguryo, which is the root of the present name – Korea. In short, the South was long the more prosperous, but the North finally achieved national unification.

Proximate Background: The Making of North Korea

There were 900 years of Korean unified statehood between the rule of Wang Kon and the Japanese domination of Korea, from 1895 until 1945. That half-century saw strenuous Korean anti-Japanese resistance and debates over how to liberate and modernize Korea. Without some knowledge of all these things, those negotiating with the North (or South) Koreans will caricature and misunderstand a good deal of what motivates them. At a minimum, it

is necessary to grasp how Kim Il-sung turned a nationalist revolution into a Stalinist tyranny. What is now needed, in North Korea, is the reversal of that process with as little collateral damage to Korea as possible.

As the Second World War came to an end, the Japanese colonial authorities in Korea approached Yo Un Hyong, a widely revered non-Communist nationalist, and asked him to form a transitional government, in the belief that he could provide stable leadership as their own authority crumbled. On August 12 1945, at around the same time that Ho Chi Minh was establishing the independence of Vietnam and Sukarno declaring Indonesian Independence, Yo declared the formation of a Preparatory People's Republic of Korea.

With Russian forces arriving in the north and American forces in the south, Yo sought to bring together a broad nationalist coalition that would head off the looming partition of the country. He was unable, however, to get the support of the American occupation authorities, headed by Lt-Gen. John R. Hodge, and his efforts to achieve national unity foundered. He was assassinated in 1947, by which time division of the country on Cold War lines had become bitter.

Kim Il-sung, who arrived in North Korea on a Soviet ship in September 1945, was by no means the agreed or natural leader within the Korean Workers (Communist) Party. Even after establishing a regime with Soviet backing, he had serious peer contenders alongside him. Chief among them was Park Hon-yong, a southerner from Kwangju, and the best-known communist in Korea from the long years of Japanese rule. It was pressure from these contenders that led Kim Il-sung to launch a war for national reunification in June 1950.

American intervention turned the war into a catastrophe for North Korea, leaving it in ruins and almost destroying the regime, which was only saved from overthrow by massive Chinese intervention. This led to bitter divisions within the Communist movement in the North. A coup, to replace Kim with Park, was attempted in early 1953, but was defeated and ten of the plotters were executed. Park was executed two years later.

Strenuous debates took place within the party in the late 1950s over macro-economic policy, in which Kim was heavily criticized, but his critics were purged and in many cases executed. As supreme leader, Kim gave primacy to military mobilization and arms industries ahead of any other economic considerations. By the 1970s, the military establishment dominated the entire economy. At the same time, in 1972, Kim Il-sung's idiosyncratic

ideology of *juche* (self-reliance) replaced Marxism-Leninism as the official creed of the regime. North Korea did not *have* a military-industrial complex; it *was* one. And if Stalin had pioneered socialism in one country, Kim Il-sung, it was later quipped, pioneered "socialism in one family". Kim Jong-il, his son and heir, has known no other reality.

Why Nuclear Weapons? North Korea's Security Fears 1953–2003

Was the quest for atomic weapons simply the consequence of Kim Il-sung's militarist obsessions and totalitarian pretensions? Probably not. The North Korean interest in acquiring nuclear weapons dates back to the 1950s, in response to American threats to use atomic bombs to end the Korean War. From 1958 until 1991, when the US withdrew all its tactical nuclear weapons from South Korea, North Korea was directly threatened by US plans to use such weapons in the event of renewed conflict on the peninsula, during decades in which North Korea had no such weapons of its own.

Yet Kim Il-sung found atomic bombs very hard to come by. He requested Soviet help, in 1963, to develop his own. Moscow was not eager to see North Korea develop nuclear weapons, but with Soviet help, it built a special nuclear research facility at Yongbyon, in 1965. Over the following two decades, three hundred North Korean nuclear scientists were trained in the Soviet Union, ostensibly for peaceful nuclear energy research only. From 1985, they began a determined and secret effort to produce nuclear weapons.

In the meantime, South Korea had begun to surpass North Korea in economic development. By the mid-1980s, the South had twice the population and ten times the GDP of North Korea. This had one very stark implication for the regime in Pyongyang: South Korea could now easily outspend it on military hardware, while continuing to grow economically. The North was locked into a Stalinist economic straitjacket and there was nothing it could do to close the widening resource gap between it and the South. It was spending around 25% of its stagnant GDP on the military, as against South Korea's 6 %. Yet the absolute amount spent by South Korea was twice that spent by the North. Moreover, South Korea was able to purchase US military hardware and its armed forces were buttressed by the formidable US military presence in East Asia.

North Korea's nuclear weapons program cannot, therefore, be attributed solely to its totalitarian or evil nature, any more than could the Soviet nuclear

program after Hiroshima and Nagasaki. Given the imminent threats, North Korea's desire for a strategic deterrent was hardly irrational, even in the 1960s. Given the dire resource constraints it started to face in the 1980s, such a desire was even less irrational. This is especially so if one allows for the institutional constraints on its readily adopting radically different solutions, such as thorough-going economic reform.

Other small states faced with serious security challenges have also gone for the nuclear option. Indeed, the decisions by Britain, France and China to acquire their own nuclear arsenals were driven by security concerns that are only amplified in the case of less substantial states. Israel and South Africa completed nuclear weapons. South Korea and Taiwan started nuclear weapons programs, only to be firmly reined in by the United States. They desisted, in part, because of security guarantees from Washington. South Africa was eventually persuaded to shut down its program and to dismantle its arsenal. Israel has refused to do so.

There is one further consideration. In 1989, North Korea's leaders watched, appalled, as the Soviet bloc collapsed in Eastern Europe. One after another, regimes akin to their own – though in few cases so completely totalitarian – fell before popular revolutions, while the Soviet Union stood aside and did nothing.

The most dramatic case, from Kim Il-sung's point of view, was the overthrow and execution of Nicolae Ceauçescu, the totalitarian dictator of Romania, in December of that year. The Kims and Ceauçescus had been very close. Their regimes had been very similar. Even their taste in grotesque monumental architecture was similar. The Romanian secret police state was considered immune from popular overthrow. Suddenly, and violently, it was gone.

As if that was not enough, within little more than two years, the Soviet Union itself had fallen apart and the Communist Party been cast from power, after seventy years of ruthless domination. Not only did this shake Pyongyang to its secretive foundations, but it removed, at a stroke, the chief source of economic and military aid Korea had relied upon since Kim Il-sung first took power, under Soviet auspices, in the 1940s.

Do all these things taken together largely explain why North Korea has been developing nuclear weapons? Pretty much. Do they make that endeavour more or less rational in its own institutionally straitjacketed way? That they do, in fact, suggest rationality is what is so interesting about the present challenge.

Indeed, it is our chief source of reassurance in the present set of circumstances. There is, as the old saying has it, method in North Korea's madness, which means that some kind of more or less rational bargaining is still possible.

What are the North Koreans bargaining for?

There are good reasons for believing that North Korea has been looking for some sort of bargain for some time. As the Soviet Union crumbled a decade ago, elements of the North Korean leadership began to think laterally about their worsening plight. They recognized the tidal shift taking place in world affairs and decided that the regime's survival required North Korea to come to terms with – and seek aid from – the United States, Japan and South Korea.

How was such a *volte-face* to be engineered? With great difficulty; especially given the overwhelmingly adverse security situation that the regime faced. Just as there were furious reform debates inside China and the Soviet Union in the 1970s and 1980s, so there has been inside North Korea since the early 1990s. The debate in North Korea has been more muffled, less reported and conducted under circumstances of far greater regime vulnerability than in the case of the two Communist giants.

The debate came to a head during a meeting of the ruling Workers Party Central Committee on 24 December 1991. It was reportedly acrimonious and ended in an uneasy compromise. The hardliners argued that Washington, Tokyo and Seoul were bent on destroying the regime. They ridiculed the idea that the North would ever get help from these unremitting adversaries. The pragmatists said, in effect, 'Let's test them'. It was finally agreed that the nuclear program could be suspended, but not necessarily terminated, if an accommodation with Washington, in particular, could actually be reached.

This compromise set the stage for a sustained diplomatic effort by the pragmatists that culminated in the nuclear freeze agreement concluded nearly three years later on 24 October 1994. As this effort proceeded, the pragmatists, led by Kim Yong Sun, then international affairs secretary of the Central Committee, faced continual rearguard attacks from their domestic opponents, who were repeatedly vindicated by US rebuffs to North Korean overtures.

North Korea's notorious 'cheat and retreat' negotiating strategy needs to be seen in this context. The pragmatists saw a window of opportunity in 1991 but were barely able to squeeze through it – and not just because of obstruction by their own hardliners. Indeed, things became so tense in the first

half of 1994 that the Clinton administration came to the verge of going to war against North Korea. Instead, an agreement was reached that North Korea would freeze its nuclear program in return for aid, recognition and security assurances from the United States.

That agreement, known as the Agreed Framework, is what broke down in early 2003. Hardliners in Washington and Seoul, as well as in Pyongyang, were always sceptical that it could work. Yet, had it not been hammered out in 1994 – and assuming that the US did not go to war – North Korea could have produced approximately 600 kilograms of weapons grade plutonium by the end of 2001 – enough to produce about 100 Hiroshima-size atomic bombs.

The Agreed Framework, at least, has gained some time. Throughout the period 1994–2002, however, the debate continued in both Pyongyang and Washington. It ran along wholly understandable lines: the North Korean hardliners believed the United States was bent on overthrowing the Kim regime and kept hedging their bets. The American hardliners believed North Korea could not be trusted and was going to implode anyway, so that a deal with it was neither reliable nor necessary. These mutual suspicions fed on one another and eventually undermined the Agreed Framework.

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Options

Given this background, there would appear to be a range of policy opt-ions open to those charged with handling the North Korea challenge. None of them can be regarded as static. Each will depend on close monitoring of North Korean responses. Nor should such responses be taken at face value. The history of the matter over decades now should be taken as showing that North Korean behaviour is susceptible of more than one interpretation at any given point. This will be especially so in the immediate future, since the uncertainties confronting North Korea are extreme and could worsen sharply.

The North Korean regime has its back to the wall strategically and economically. Only fundamental regime change can turn this situation around. These two facts make dealing with Pyongyang exceptionally difficult. They also make it intrinsically difficult for Pyongyang to do other than play its hand very close to its own chest. Kim Jong-il feels trapped and is looking, if not for a way out, then at least for some way to avoid being overthrown like Ceauçescu.

Pressure and threats of military action therefore touch exposed nerves in Pyongyang, which is why it denounces such things as tantamount to declarations of war. It also means that inducements or concessions of a palliative nature do little to ease the situation, other than fending off regime implosion. Yet pressing for that outcome entails costs that few people are willing to contemplate – especially in South Korea.

In these circumstances, policy proposals oscillate between a diffuse, rather anxious impulse to negotiate with Pyongyang about 'being reasonable' and a frustrated, rather alarmed, impulse to try to constrain it by pressure or force. Neither impulse is very thoughtful. For, if Pyongyang's nuclear and ballistic missile programs are motivated by deep security concerns, neither approach can work, in the nature of the case. The one fails to acknowledge Pyongyang's concerns, while the other reinforces them.

The combination of stern rhetoric and multilateral negotiations attempted throughout 2003 has not been notably successful. North Korea has been highly suspicious of US intentions and announced, after the August talks in Beijing, that it saw no point in further such talks, since the US appeared determined simply to bring about the overthrow of its regime. In early October, Pyongyang announced that it was proceeding to build atomic bombs "to counter a situation produced by the hostile policy of the United States."

Increase Pressure

Given this set of circumstances, at the end of 2003, the obvious option is to treat North Korea's pronouncements as proof positive of its recalcitrance and malignancy and to exert even more pressure on it. The regime may well be vulnerable to pressure and relentless diplomatic and economic measures short of war could finally bring it down. This outcome is conceivable, but by no means assured. And even if the regime's downfall could be engineered with some reliability, the likely aftermath could be extremely difficult and costly to handle.

Back Off

A second option, given all the costs and uncertainties, would be to back off: to call North Korea's bluff, by announcing that no attempt would be made to overthrow it or coerce it, but that no aid or assistance to it would be forthcoming as long as it persisted in its present course. This would entail accepting,

for the immediate future, a nuclear-armed North Korea. It would mean seeking to preserve the stability of East Asia not by restraining North Korea, but by bringing all other parties into a multilateral agreement not to *react* to North Korea's paranoia with paranoia on anyone else's part.

Return to an Agreed Framework

A third option, one which North Korea has more than once asked for, is a return to something like the Agreed Framework. Washington currently sees this as unworkable, but the mere fact that Pyongyang has raised the idea is significant. It indicates that North Korea is desperate and sees its nuclear arms as almost its only bargaining chip in an endgame with the United States. A return could not be to the original terms of the agreement of 1994, however. Washington has made plain that it is now opposed to supplying North Korea with nuclear technology of *any* kind. Yet anything less than the 1994 terms would seem highly unlikely to bring Pyongyang around.

A 'Grand Bargain'?

Narrow sets of assumptions would constrain policy options within the range of these three alternatives. There is, however, a fourth option. The fourth option is to offer Kim Jong-il and his cornered colleagues a grand bargain – and having the nerve and patience to see such a bargain through. Such a grand bargain would go well beyond the Agreed Framework in its terms and its ambitions. It would tap into the larger – and resonant – themes of Korean history and national consciousness outlined above and could provide a way out of the deadlock of distrust which traps the United States and North Korea at present.

The fourth option would require a fundamental alteration of mind-sets in both Washington and Pyongyang. Yet its terms have been set out by some of the best-informed national security specialists and Korean country specialists in the United States.[1] At a minimum, they warrant close consideration. Contrary to the view of the North Koreans as being incorrigible, there are grounds for believing that an ambitious plan is more likely to win them over than one they would rightly see as grudging, hedging or merely expedient.

If the underlying problems are to be addressed, North Korea needs not only to be shown that extortionist behaviour will not avail it, but also that it can gain recognition, substantial economic assistance and robust security guarantees – contingent on clear and verified reforms in its internal economic

and civil policies. The strategy involved would be to offer North Korea – and the rest of us – a way out of the current impasse, by giving it a clear choice between the dire straits it is in and a future of genuine renovation.

More specifically, the fourth option would entail North Korea agreeing to freeze and subsequently dismantle its nuclear weapons and ballistic missile programs, as well as its other WMD programs; to drastically reduce its conventional arms; and to agree to a programmatic restructuring of its economy under international guidance. In return, it would be offered a non-aggression pledge by the United States; a peace treaty; reciprocal conventional force reductions in the South and by the US on the peninsula; diplomatic relations with the US; and economic aid from a consortium of its neighbours for at least a decade. The more distant prospect would be Korean reunification on peaceful and prosperous terms.

The overall cost of such a bargain could be two to three billion US dollars per year for ten years – far less than a war would cost in a matter of weeks or months. It could proceed only on a confidence-building, tit-for-tat basis, but it can also only be offered by the United States. Fear, paranoia, lack of imagination, lack of magnanimity might all parade as 'realism' and militate against this option, but they should, in that case, be recognized for what they are. Even if carefully explored and attempted, this fourth option could fail. North Korea's leaders could prove themselves definitively incapable of making such a deal. But as none of the other alternatives seems very promising, it should, at least, be carefully considered.

What would it take?

From the North Korean side, accepting such a grand bargain would require enormous grit and courage. Plainly, it would mean starting down a path of economic and political reform that the hardliners know could well lead to their demise.

From the American side, it will require the historical vision to see North Korea and even honour it, in a fashion, as a modern Parhae or Koguryo, to South Korea's Silla. It will require reaching out to it, to draw it into a compact for security and development. It will require creating a language of workability and mutual understanding that has not existed since General Hodge spurned Yo Un Hyong in 1945.

In short, it will take a great deal. If it is, however, to be attempted it should be attempted now, when the United States has overwhelming power and can afford to be both patient and magnanimous; when China is seeking a constructive role in the region and plainly wants to see North Korea brought to what economists call a 'soft landing'; and when successive South Korean presidents, Kim Dae-jung and Roh Moo-hyun, have demonstrated a keen desire to extend the hand of friendship to the North.

If such a deal is not sought it will certainly not happen. If it does not happen, North Korea might descend into terminal dissolution, at enormous cost to its own people, and it might become ever more desperate and belligerent. Having to constrain it in such circumstances, especially if it completes the development of a nuclear and ballistic missile arsenal, will be a very nasty and possibly calamitous business.

A Role for Australia

Australia is at present committed to following the Washington line and it seems that policy-makers do not see beyond the first three of the above options or perhaps some variant on one or other of them. By default, at present, it is the first that is being haltingly pursued, rather as one might pursue a dangerous animal, expecting it at any time to turn at bay snarling and snapping. Yet Australia could play a role in the fourth option, at least as a regional advocate, and would be well advised to assign a research team to examine the 'grand bargain' option closely.

Note

1 The case is made in detail by Michael O'Hanlon and Mike Mochizuki, *Crisis on the Korean Peninsula: How to Deal With a Nuclear North Korea* (Brookings Institution, McGraw Hill, 2003). There is, however, a good deal of other research which directly or indirectly substantiates it. The most important are Selig Harrison, *Endgame In Korea: A Strategy for Reunification and US Disengagement (*Century Foundation, Princeton University Press, 2002); and Marcus Noland, *Avoiding the Apocalypse; The Future of the Two Koreas* (Washington D.C., Institute for International Economics, 2000). My own views developed a decade ago, as Japan and Koreas desk officer in DIO and chair of the inter-agency working group on Korea. They were first published in the *Korean Journal of Defense Analysis* in early 1993, 'Coping With the End of History: Pyongyang and the Realm of Freedom' and later in an essay entitled 'Kim Jong-il's Paranoia and Kim Dae-jung's Opportunity', *Quadrant*, March 1998, pp. 38–43.

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