

Chapter 9

China and the North Korean nuclear issue

9.1 This chapter examines China's recent role in multilateral efforts to disarm North Korea of its nuclear weapons program. U.S.–North Korean tensions have placed China in a difficult situation. Its long-time support for the North Korean regime and non-interventionist approach to diplomacy has had to be balanced with an increasingly cooperative relationship with the U.S. and a common desire for regional peace and stability. The issue has demonstrated China's skill and persistence in bringing Washington and Pyongyang to the negotiating table and finding common ground.

Background

North Korea and China

9.2 North Korea—officially the Democratic People's Republic of Korea (DPRK)—is one of the few remaining communist states. It is the world's most militarised nation relative to population size.¹ In 2003, an estimated 1.14 million North Koreans were in active forces, with 7.45 million in reserves, from a population of 22.2 million.² With a faltering economy and widespread shortages of basic staples and energy supplies, North Korea relies crucially on aid from China.³ China is the DPRK's largest trading partner and its biggest financial and diplomatic supporter.⁴ North Korea has often viewed international humanitarian aid as a threat to its dogmatic policy of *Juche* or self reliance (see paragraph 9.54).

9.3 The DPRK and the People's Republic of China have enjoyed friendly relations since the establishment of diplomatic ties in 1949.⁵ During the Korean War (1950–1953), China intervened to protect the Pyongyang regime and in 1961, the countries

1 See 'North Korean Military Resource Page', *Military History*, <http://www.militaryhistory.about.com/od/northkorea> (accessed 1 March 2006).

2 Reuters, cited in 'A North Korean snapshot', the *Age*, 26 April 2003, p. 13. North Korea's current population is estimated at 22.9 million. See 'Country Profile: North Korea', *BBC World News*, http://news.bbc.co.uk/1/hi/world/asia-pacific/country_profiles/1131421.stm, (accessed 13 December 2005).

3 Aid from the former Soviet Union ceased in 1991.

4 Department of Policy Planning, Ministry of Foreign Affairs, People's Republic of China, *China's Foreign Affairs 2005*, World Affairs Press, 2005, p. 137; C. Armitage, 'Beijing feels the heat', the *Australian*, 14 January 2003.

5 The DPRK was established on 9 September 1948. The People's Republic of China was established a year later on 1 October 1949.

signed the *Treaty of Friendship, Cooperation and Mutual Assistance*.⁶ Article 1 of the Treaty states that 'the Contracting Parties will continue to make every effort to safeguard the peace of Asia and the world and the security of all peoples'. However, Article 2 states:

In the event of one of the Contracting Parties being subjected to the armed attack by any state or several states jointly and thus being involved in a state of war, the other Contracting Party shall immediately render military and other assistance by all means at its disposal.⁷

9.4 This article has attracted recent attention in the context of a pre-emptive U.S. attack on North Korea. It is unclear, however, as to whether China would intervene directly in this event.⁸ China has traditionally been reluctant to deal with the international community on security issues relating directly to North Korea. Notably, in 1993–94 it abstained from multilateral efforts to achieve a resolution on North Korea's nuclear disarmament.⁹ In 1999, China's Premier Zhu Rongji insisted: 'North Korea is a sovereign nation, and it is nothing to do with us whether North Korea develops guided missiles or nuclear weapons'.¹⁰

9.5 Since the September 2001 terrorist attacks, however, China has increased its support for the U.S. (see chapter 4). China gave unconditional support to the U.S. war in Afghanistan and voted in favour of anti-terrorist resolutions in the UN Security Council. It has also been increasingly apprehensive about North Korea's nuclear ambitions. Since 2002, the Chinese leadership has faced mounting pressure from the U.S. to become involved in multilateral discussions with North Korea on the imperative of Pyongyang's nuclear disarmament. China and the U.S. have a common concern for regional peace and stability, which has 'conveniently created a synergy between the two countries'.¹¹

6 Dr Frank Frost, 'Directions in China's foreign relations—implications for East Asia and Australia', Research Brief no. 9, *Parliamentary Library*, 5 December 2005, p. 42. The end of the Korean War and the death of Soviet leader Joseph Stalin in 1953 led to a thawing of relations between the DPRK and the Soviet Union and a move towards the DPRK's policy of self-reliance.

7 The text of the Treaty is available at: <http://www.ioc.u-tokyo.ac.jp/~worldjpn/documents/texts/docs/19610711.T1E.html> (accessed 15 December 2005).

8 See Ms Anne Wu, 'What China whispers to North Korea', *The Washington Quarterly*, vol. 28, no. 2, pp. 36 and 42.

9 Dr Frank Frost, 'Directions in China's foreign relations—implications for East Asia and Australia', Research Brief, no. 9, *Parliamentary Library*, 5 December 2005, p. 42.

10 Dr Frank Frost, 'Directions in China's foreign relations—implications for East Asia and Australia', Research Brief no. 9, *Parliamentary Library*, 5 December 2005, p. 42. See Zhu Feng, 'China's policy on the North Korean nuclear issue', *China Strategy*, (Center for Strategic and International Studies, Washington DC), vol 3, 20 July 2004, p. 5.

11 See Anne Wu, 'What China whispers to North Korea', *The Washington Quarterly*, vol. 28, no. 2, p. 39.

9.6 However, China differs from the U.S. over the nature of, and response to, the problems that North Korea poses. It has rejected the use of sanctions against North Korea, preferring instead to strengthen aid and trade ties. Under Kim Jong Il's presidency (1997–), North Korea has remained deeply committed to its Stalinist philosophy and policy of self-reliance. It is suspicious of China's controlled market economy.¹² Nonetheless, China continues to encourage two-way trade and bilateral economic cooperation as a basis for 'friendship, mutual benefit and common development'.¹³

The 1994 Agreed Framework and U.S.–North Korean tensions

9.7 U.S.–North Korean nuclear tensions have been simmering for more than a decade. The Clinton administration had opted for a direct bilateral approach to gain North Korea's consent to halt its nuclear program. In 1994, the U.S. and North Korea signed the *Agreed Framework*. Under the terms of the Framework, Pyongyang would shut down its plutonium facilities and accept enhanced monitoring by the International Atomic Energy Agency (IAEA). In return, the U.S. would provide North Korea with a package of economic, diplomatic and energy-related benefits.¹⁴

9.8 In June 2001, six months into President George W. Bush's first term, the U.S. revised its policy on North Korea.¹⁵ The President promised further to lift sanctions and increase assistance for North Korea if Pyongyang agreed to:

- start to take serious, verifiable steps to reduce the conventional weapons threat to South Korea;
- improve implementation of the 1994 *Agreed Framework*; and
- constrain its missile exports.¹⁶

9.9 Following the attacks on New York and Washington in September 2001, President Bush's 2002 *State of the Union* address identified North Korea as 'a regime

12 Kim Jong Il's father, Kim Il-sung, was the DPRK's first leader (1948–1994). Kim Jong Il assumed the presidency and leadership of the Korean Workers' Party in 1997.

13 Department of Policy Planning, Ministry of Foreign Affairs, People's Republic of China, *China's Foreign Affairs 2005*, World Affairs Press, 2005, p. 137.

14 Mark Manyin, Emma Chanlett-Avery and Helene Marchart, 'North Korea: A Chronology of Events, October 2002–December 2004', *Congressional Research Service report for Congress*, 24 January 2005, p. 2.

15 All references to 'President Bush' and 'the U.S. government' in this chapter relate to the incumbent US President, George W. Bush.

16 Mark Manyin, Emma Chanlett-Avery and Helene Marchart, 'North Korea: A Chronology of Events, October 2002–December 2004', *Congressional Research Service report for Congress*, 24 January 2005, p. 1.

arming with missiles and weapons of mass destruction, while starving its citizens'.¹⁷ The President's speech asserted that Iraq, Iran and North Korea formed an 'axis of evil'. Both the U.S. and South Korea fear that North Korea may miscalculate and attack South Korea in the belief it can acquire permanent advantage.¹⁸ The U.S. has similar fears about miscalculation with regard to China's relations with Taiwan (see Chapter 7).

9.10 On the one hand, China was concerned at President Bush's 'axis of evil' rhetoric. The Foreign Ministry stated shortly after the *State of the Union* address: '[the] consequences will be very serious if [the United States] proceeds with this kind of logic'.¹⁹ On the other hand, China supported the U.S. government's approach to engage Pyongyang in multilateral, rather than bilateral, negotiations.²⁰

9.11 The multilateral efforts to resolve the North Korean nuclear issue can be divided into seven key stages:

- the October 2002 visit of U.S. Assistant Secretary of State Mr James Kelly to Pyongyang;
- the April 2003 talks between North Korea, the U.S. and China;
- the first Six-Party talks in August 2003 between North Korea, the U.S., China, South Korea, Russia and Japan;
- the second Six-Party talks in February 2004;
- the third Six-Party talks in June 2004;
- the fourth Six-Party talks in July 2005, culminating in the September 2005 disarmament pact; and
- the fifth round of Six-Party talks in Beijing in November 2005.

All five rounds of the Six-Party talks to date were hosted by China in Beijing. The remainder of this chapter looks at China's participation in each of these stages.

17 President George W. Bush, *State of the Union Address*, 29 January 2002, <http://www.whitehouse.gov/news/releases/2002/01/20020129-11.html> (accessed 29 November 2005).

18 For a discussion of the South Korean position, see David Reese, 'North Korea: Anatomy of a rogue state', in Maria Vicziany, David Wright-Neville and Peter Lentini (eds), *Regional Security in the Asia Pacific: 9/11 and After*, (Cheltenham: Edward Elgar, 2004), pp. 256–259.

19 K. Quan, Foreign Ministry briefing, 5 February 2002, cited in Anne Wu, 'What China whispers to North Korea', *Washington Quarterly*, vol. 28, no. 2, p. 40.

20 Mark Manyin, Emma Chanlett-Avery and Helene Marchart, 'North Korea: A Chronology of Events, October 2002–December 2004', *Congressional Research Service report for Congress*, 24 January 2005, p. 2.

North Korea's admission of nuclear rearmament

9.12 On 25 October 2002, North Korea admitted it was trying to produce highly enriched uranium in violation of the terms of the 1994 *Agreed Framework* (see paragraph 9.7). At the same time, the U.S. Defence Department announced its intent to resume military talks with China, citing China's vitally important role in bringing a peaceful end to the North Korean nuclear issue.²¹

9.13 In November 2002, the U.S. successfully persuaded the Korean Peninsula Development Organization to cease oil shipments to North Korea. These shipments had been a core U.S. responsibility under the terms of the *Agreed Framework*. The following month, North Korea expelled IAEA officials from its Yongbyon nuclear plant.²² On 10 January 2003, North Korea became the only nation to withdraw from the nuclear non-proliferation treaty (NPT) following U.S. accusations that it was conducting a uranium enrichment effort to make bombs.²³ In withdrawing from the NPT, Pyongyang was seeking U.S. recognition of North Korea as a nuclear state and to have one-to-one talks with the U.S. on the issue.²⁴ However, its public statements made no reference to using these weapons.²⁵

9.14 The U.S. was unwilling to hold bilateral talks with North Korea. Shortly after Pyongyang's 10 January announcement, U.S. President George Bush stressed the importance of a peaceful multilateral resolution:

What this nation [the U.S.] will do is use this as an opportunity to bring the Chinese and the Russians and the Japanese and the South Koreans to the table to solve this problem peacefully.²⁶

21 BBC News World Edition, 'Jiang and Bush start Texas summit', 25 October 2002, <http://news.bbc.co.uk/2/hi/asia-pacific/2355797.stm> (accessed 6 January 2005).

22 This reactor had been abandoned in 1994 as part of the *Framework Agreement* with the U.S. In return, North Korea was supplied with fuel water, two light-water reactors and economic aid.

23 Mark Manyin, Emma Chanlett-Avery and Helene Marchart, 'North Korea: A Chronology of Events, October 2002–December 2004', *Congressional Research Service report for Congress*, 24 January 2005, p. 1.

24 Korean Central News Agency of DPRK, Statement of DPRK Government on its withdrawal from NPT, 11 January 2003, <http://www.kcna.co.jp/index-e.htm> (accessed 6 January 2006). See also Stephen Lunn and Roy Eccleston, 'N Korea to talk with US and China', the *Australian*, 17 April 2003, p. 10.

25 Henry Sokolski and Victor Gilinsky, 'Northern Exposure', *Weekend Australian*, 18 January 2003, p. 21. This article was reproduced for the *Weekly Standard*. Henry Sokolski is executive director of the Washington-based Non-proliferation Policy Education Centre. Victor Gilinsky is an energy consultant and former member of the U.S. Nuclear Regulatory Commission.

26 U.S. Department of State, 'Remarks by President Bush and Polish President Kwasniewski During Photo Opportunity', 14 January 2003, <http://warsaw.usembassy.gov/poland/011503b.html> (accessed 6 January 2006).

9.15 As North Korea's most important ally and the principal source of outside aid, China is a vital player in efforts to resolve peacefully the North Korean nuclear issue. Australia regards China as a key intermediary in persuading North Korea to participate in nuclear disarmament talks. On 13 February 2003, the Australian Foreign Affairs Minister, the Hon Alexander Downer, acknowledged China as 'a most important influence on North Korea, especially in terms of Chinese access to North Korean leader Kim Jong Il'.²⁷ On 3 April, Minister Downer recognised that China was making 'a substantial effort to try to persuade the North Koreans...to engage in a multilateral dialogue...'²⁸

China's entry into the multilateral dialogue

9.16 Beginning in March 2003, Hu Jintao's Presidency has strongly advocated a multilateral approach to the U.S.–North Korean impasse. The U.S. Library of Congress explained China's motivation in the following terms:

Beijing reportedly fears the profoundly destabilizing effects of either a robust nuclear-armed North Korea, which could set off an arms race in the region, or the collapse of the regime, which could send thousands of refugees over the border into China.²⁹

9.17 An arms race in East Asia would leave China surrounded by nuclear powers. Russia, India and Pakistan already have nuclear weapons programs: both Japan and Taiwan are widely believed to have the capacity to develop nuclear weapons quickly.³⁰ China's strategy to avert an arms race has been to resist coercive measures that may unnecessarily provoke Pyongyang. In July 2003, for example, China voted against a proposed Security Council resolution condemning North Korea's nuclear program and withdrawal from the NPT. China reasons that a patient, cooperative attitude to Pyongyang offers the best prospect for the DPRK's full disarmament and thereby defusing the region's nuclear ambitions.³¹ It has refused U.S. calls to use

27 The Hon. Alexander Downer MP, 'Dealing with North Korea', *Korea 're-examined' conference dinner*, University of Sydney, 13 February 2003, p. 8.

28 The Hon. Alexander Downer MP, *Press Conference*, Washington, 3 April 2003. See also H. McDonald, 'China turns up heat on North Korea as it warns UN not to be hasty', *Sydney Morning Herald*, 9 April 2003, p. 10.

29 Mark Manyin, Emma Chanlett-Avery and Helene Marchart, 'North Korea: A Chronology of Events, October 2002–December 2004', *Congressional Research Service report for Congress*, 24 January 2005, p. 3. The China–North Korean border is over 1,000 kilometres long.

30 See Anne Wu, 'What China whispers to North Korea', *Washington Quarterly*, vol. 28, no. 2, p. 38.

31 While this is certainly the approach of the Chinese government, Professor Yiwei Wang from Fudan University (PRC) notes: '[T]here are huge gaps between the government and civil society, seniors and juniors, elites and the masses, and even between different departments and regions of China'. He notes that most 'ordinary Chinese' think that solving the North Korean nuclear issue is not China's business and that 'China just wants to do a favor for the U.S.' Professor Yiwei Wang, 'China's role in dealing with the North Korean Nuclear issue', *Korea Observer*, vol. 36, no. 3, Autumn 2005, pp. 471–472.

sanctions to pressure North Korea to participate in the multilateral process.³² Beijing's preferred option for encouraging North Korean involvement in the talks was to increase its aid of food, money and oil.

9.18 China's formal entry into the multilateral dialogue on the North Korean nuclear issue began in Beijing in April 2003 with three-way talks between Chinese, U.S. and North Korean officials. Minister Downer strongly supported the meeting, stating: 'we now hope that a multilateral forum will evolve from these initial three-party talks'.³³ A press statement from the U.S. Department of State shortly before the talks acknowledged: '[w]e appreciate China's efforts to achieve the international community's shared goal of a peaceful and stable Korean Peninsula free of nuclear weapons'.³⁴ Moreover, the Chinese government's preparedness to arrange and host the talks reflected its eagerness to use dialogue, rather than sanctions, as a means to exert greater pressure on North Korea. The talks were successful to the extent that the parties displayed a willingness to negotiate and agreed to keep channels open for further discussions. The *Australian Financial Review* wrote:

The Beijing talks provided a form of accommodation that was acceptable to both sides. The important factor was China's pivotal role. It is North Korea's prop, providing it with energy, food and other resources it needs to survive in the absence of a tradeable output or a viable domestic economy.³⁵

9.19 Following the April talks, the *Economist* noted that North Korea had 'appeared remarkably cavalier in its dealings with its chief economic benefactor in the last few months'.³⁶ For instance, it had failed to consult China before telling the U.S. in 2002 that it had a uranium-enrichment program.³⁷ The *Economist* highlighted the significance of China's involvement in the trilateral talks, but saw them as a second-best option for the U.S.:

32 In March 2003, U.S. National Security Adviser, Dr Condoleezza Rice, had suggested the option of an oil pipeline shut down to Beijing. In late April 2005, a senior U.S. envoy asked Chinese officials to cut off North Korea's supply of oil as a way of pressuring Pyongyang to return to disarmament talks. It was reported that U.S. officials had explained that China rejected this idea, citing the damage it would cause to the pipeline. Glenn Kessler, 'China rejected US suggestion to cut oil off to pressure North Korea', *Washington Post*, 7 May 2005, p. A11, <http://www.washingtonpost.com/wp-dyn/content/article/2005/05/06/AR2005050601623.html> (accessed 1 December 2005).

33 The Hon. Alexander Downer MP, 'Australia welcomes three-party talks on North Korea', *Media Release*, 17 April 2003.

34 Richard Boucher, 'Multilateral talks in Beijing', *Press Statement, U.S. Department of State*, 21 April 2003, <http://www.state.gov/r/pa/prs/ps/2003/19780.htm> (accessed 1 March 2006).

35 'Beijing's role in shaping N Korea', *Australian Financial Review*, 30 April 2003, p. 62.

36 'Desperate straits', *The Economist*, 3 May 2003, p. 26.

37 *The Economist*, 'The China syndrome', reprinted in the *Australian*, 5 May 2003.

Suspicious that North Korea would simply use talks to buy more time to build more weapons, and determined that other countries with an interest in the nuclear issue be involved in keeping North Korea to any future deal, Washington had at first insisted that South Korea and Japan have a seat at any talks too. The tripartite discussions in Beijing involving China, the closest North Korea has to a friend, were a face-saving formula. They were also a breakthrough, since China has in the past shied away from any hint of pressure on North Korea...³⁸

The first round of Six-Party talks—August 2003

9.20 The first Six-Party talks took place on 27–29 August 2003. The new participants were South Korea, Japan and Russia. During the talks the U.S. set down its demand that North Korea commit to 'complete, verifiable, irreversible dismantlement' of its nuclear programs. North Korean delegate Kim Yong Il stated that the DPRK would continue to develop a nuclear deterrent unless the U.S. agreed to a non-aggression treaty.³⁹ Although a written joint statement was not achieved, the talks did establish agreement:

- to resolve the issue through peaceful means and dialogue;
- that the security concerns of North Korea should be taken into consideration;
- to explore an overall plan to resolve the nuclear issue in a just and reasonable manner and in a simultaneous and incremental way;
- that in the process of negotiations, any action or word that may aggravate the situation should be avoided;
- that dialogue should continue to establish trust, reduce differences and broaden common ground; and
- that the Six-Party talks should continue and the specific date and venue should be decided through diplomatic channels as soon as possible.⁴⁰

9.21 China strongly supported these objectives. However, the Chinese Ministry of Foreign Affairs conceded it was 'fully aware of the complexity of the [North Korean]

38 The *Economist*, 'Beijing holds aces in a high-stakes game', reprinted in the *Australian*, 5 May 2003.

39 'China and the North Korean Nuclear and Missile Issues—Statements and Developments', *Nuclear Threat Initiative*, <http://www.nti.org/db/china/koreachr.htm> (accessed 27 November 2005).

40 'China and the North Korean Nuclear and Missile Issues—Statements and Developments', *Nuclear Threat Initiative*, <http://www.nti.org/db/china/koreachr.htm> (accessed 27 November 2005).

question and the difficulties and twists in-between'.⁴¹ Many attributed the summit's shortcomings to a breakdown in the U.S.–North Korea relationship.⁴²

9.22 In early October 2003, North Korea's Vice Foreign Minister Mr Choe Su-hon declared to the United Nations that it had resumed the operation of a five megawatt nuclear reactor in Yongbyon and had processed 8,000 steel rods to provide plutonium for nuclear weapon development.⁴³ North Korea noted that it had no plans to export these weapons, only to use them in defence against U.S. aggression. The U.S. continued to reject Pyongyang's demands for a non-aggression pact. However, on 20 October, President Bush offered China's President Hu Jintao a five nation security guarantee that would include North Korea if it dismantled its nuclear weapons programs. The U.S. Secretary of State, Colin Powell, commented: 'we will be fleshing out these ideas with our partners in the Six-Party framework and pursuing them with the North Koreans'.⁴⁴

The second round of Six-Party talks—February 2004

9.23 The second round of Six-Party talks was held in Beijing from 25–28 February 2004. In the lead-up to the second round of talks, China had cast doubt on whether North Korea had a program to enrich uranium for use in nuclear weapons, thereby undermining the U.S. demand of complete nuclear dismantlement.⁴⁵ Some commentators agreed with China's view, notwithstanding U.S. officials' concern that Beijing's position was weakening their demands.⁴⁶ The *Washington Post* reported a month before the talks that 'Chinese and U.S. aims appear to be diverging'.⁴⁷ Days

41 Foreign Ministry Spokesman, *Press Conference*, 2 September 2003. See 'China and the North Korean Nuclear and Missile Issues—Statements and Developments', *Nuclear Threat Initiative*, <http://www.nti.org/db/china/koreachr.htm> (accessed 27 November 2005).

42 Mark Manyin, Emma Chanlett-Avery and Helene Marchart, 'North Korea: A Chronology of Events, October 2002–December 2004', *Congressional Research Service report for Congress*, 24 January 2005, p. 2.

43 See the comments of James Kelly, Assistant Secretary of State for East Asian and Pacific Affairs, *North Korea: Towards a New International Engagement Framework*, Remarks to The Research Conference, Washington DC, February 13, 2004, <http://www.acronym.org.uk/docs/0402/doc26.htm> (accessed 6 January 2006). See also Stephen Lunn, 'North Korea declares: we've got N bombs', the *Australian*, 3 October 2003, p. 1.

44 Colin Powell, Remarks at APEC CEO Summit, Shangri-La Hotel, Bangkok, 20 October 2003, <http://bangkok.usembassy.gov//apec2003/remarkspowell102003.htm> (accessed 6 January 2006).

45 Glenn Kessler, 'China questions US claims about Korean nuclear threat', *Sydney Morning Herald*, 8 January 2004, p. 7. The article was reproduced from *The Washington Post*. See also Selig Harrison, 'Crafting Intelligence: Iraq, North Korea and the Road to War', *Japan Focus*, <http://www.japanfocus.org/article.asp?id=229> (accessed 1 March 2006).

46 See for example Selig Harrison, 'Did North Korea Cheat?', *Foreign Affairs*, January 2005, <http://www.foreignaffairs.org/20050101faessay84109/selig-s-harrison/did-north-korea-cheat.html> (accessed 1 March 2006).

47 Glenn Kessler, 'China questions US claims about Korean nuclear threat', *Sydney Morning Herald*, 8 January 2004, p. 7. The article was reproduced from the *Washington Post*.

before the talks, there were reports that foreign countries were restricting aid donations to North Korea amid concern of Pyongyang's nuclear program.⁴⁸

9.24 The North Korean delegates arrived in Beijing insisting that compensation must precede any freeze of its nuclear program. The U.S. continued to insist that North Korea commit to 'complete, verifiable, irreversible dismantlement' of its nuclear programs. Again, however, the Six-Party talks failed to reach written agreement on the basic aim of peacefully resolving the issue. The only point of consensus was the broad 'commitment to a nuclear weapons-free Korean peninsula'.⁴⁹

9.25 North Korea denied U.S. allegations that it had a highly enriched uranium processing program. It also disagreed with the U.S. on the issue of complete dismantlement, arguing that some nuclear facilities were needed for electricity generation. To this end, North Korean officials distinguished between civilian and military nuclear programs, claiming only to have offered to freeze its nuclear arms programs.⁵⁰

9.26 Although the U.S. was reportedly disappointed with the lack of progress on the multilateral front, it claimed that Pyongyang was more isolated than ever.⁵¹ This isolation advanced the 'five versus one' situation often referred to by U.S. officials as a basis for the participation of China, South Korea, Japan and Russia in sanctions against North Korea.⁵² China's Chief Delegate, Vice Foreign Minister Mr Wang Li, referred to the 'extreme lack of trust' between the two parties.⁵³

The third round of Six Party talks—June 2004

9.27 The third round of Six-Party talks was held in Beijing from 23–26 June 2004. It was marked by an emergency meeting between North Korea and China concerning Pyongyang's threat to test a nuclear device. Once again, no progress was made on the key issue of complete, verifiable and irreversible dismantlement of North Korea's nuclear program. The U.S. did, however, make its first comprehensive proposal for

48 Hamish McDonald, 'Millions in North Korea face starvation rations as aid dries up', the *Age*, 10 February 2004, p. 8.

49 'Official statements for second round of Six-Party talks', *DPRK Briefing Book*, accessed from Nautilus Institute website, <http://www.nautilus.org/DPRKBriefingBook/multilateralTalks/sixpartytalks2.html#top> (accessed 1 March 2006).

50 Catherine Armitage, 'N Korea nuclear talks end in limbo', the *Australian*, 1 March 2004, p. 12.

51 Hamish McDonald, 'Pyongyang resists US nuclear demands', the *Age*, 1 March 2004, p. 9. The comment was made by an unnamed senior US delegate, who spoke to reporters on condition of anonymity.

52 See Larry Nicksch, 'North Korea's Nuclear Weapons Program', *CRS Issue Brief for Congress*, 17 January 2006, p. 6, <http://www.fas.org/sgp/crs/nuke/IB91141.pdf> (accessed 3 March 2006).

53 'Six-Party Talks End, US Saying "Successful"', *China People's Daily*, 29 February 2004, http://english.people.com.cn/200402/29/eng20040229_136143.shtml (accessed 6 January 2006).

dismantlement. It called for Pyongyang to declare its nuclear facilities and materials, suspend their operation, allow IAEA officials to return and negotiate steps to be taken in dismantlement.⁵⁴ In return, North Korea would receive Japanese and South Korean oil and a multilateral guarantee that the U.S. would not attack.⁵⁵ On 24 July 2004, North Korea's Foreign Ministry described the U.S. plan as a 'sham offer'. The Ministry stated that its proposal for eventual disarmament was based on 'reward for freeze'.⁵⁶

9.28 The lack of progress at the June 2004 talks was attributed to both Pyongyang's intransigence and inflexibility by Washington.⁵⁷ Part of the blame was directed at the U.S. Secretary of Defense and the Vice President, and non-proliferation specialists in the U.S. State Department and the National Security Council.⁵⁸ Their approach was to isolate North Korea economically and diplomatically and oppose any negotiations with or concessions to North Korea. Another U.S. faction of East Asia experts within the State Department and the NSC favoured negotiations before more coercive methods.⁵⁹ The presentation of a plan at the June 2004 talks suggests that this faction was exerting some influence. As the Australian Foreign Minister, Alexander Downer, noted in July 2004, 'the Americans have been more constructive in that they came to the last round of six-party talks and put forward the bare bones of some sort of a deal...'⁶⁰

9.29 Chinese efforts to resolve the nuclear issue continued in the ensuing months. In July 2004, Professor Zhu Feng of the University of Beijing commented:

Never in the diplomatic history of the People's Republic of China (PRC) has the country been so deeply or extensively involved in a controversial regional issue to which it was not a direct party.⁶¹

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- 54 Larry Nicksch, 'North Korea's Nuclear Weapons Program', *CRS Issue Brief for Congress*, 17 January 2006, p. 1, <http://www.fas.org/sgp/crs/nuke/IB91141.pdf> (accessed 3 March 2006).
- 55 Larry Nicksch, 'North Korea's Nuclear Weapons Program', *CRS Issue Brief for Congress*, 17 January 2006, p. 1, <http://www.fas.org/sgp/crs/nuke/IB91141.pdf> (accessed 3 March 2006).
- 56 'DPRK Foreign Ministry dismisses U.S. proposal', *Korean Central News Agency of DPRK*, 24 July 2004, <http://www.kcna.co.jp/index-e.htm> (accessed 3 March 2006).
- 57 Mark Manyin, Emma Chanlett-Avery and Helene Marchart, 'North Korea: A Chronology of Events, October 2002–December 2004', *Congressional Research Service report for Congress*, 24 January 2005, p. 4.
- 58 Mark Manyin, Emma Chanlett-Avery and Helene Marchart, 'North Korea: A Chronology of Events, October 2002–December 2004', *Congressional Research Service report for Congress*, 24 January 2005, p. 4.
- 59 Mark Manyin, Emma Chanlett-Avery and Helene Marchart, 'North Korea: A Chronology of Events, October 2002–December 2004', *Congressional Research Service report for Congress*, 24 January 2005, p. 4.
- 60 The Hon. Alexander Downer MP, *Jakarta Doorstop*, 1 July 2004, http://www.foreignminister.gov.au/transcripts/2004/040701_jak.html (accessed 6 January 2006).
- 61 Zhu Feng, 'China's policy on the North Korean nuclear issue', *China Strategy*, (Center for Strategic and International Studies, Washington DC), vol. 3, 20 July 2004, p. 5.

9.30 In August 2004, Mr Downer attended talks in Pyongyang with the North Korean President and Foreign Minister. He stressed that the nuclear issue was of major concern for the international community at large: 'it is not just an issue between the DPRK and the United States'.⁶² He also highlighted the common elements in the packages proposed by Washington and Pyongyang such as a nuclear freeze and eventual dismantlement, assistance, a security guarantee and the lifting of sanctions.⁶³ However, a spokesman for the DPRK Ministry of Foreign Affairs stated:

Given that the nuclear issue between the DPRK and the U.S. was spawned by the latter's extremely hostile policy toward the former, the U.S. should begin the work to find a solution to the issue with dropping its hostile policy toward the DPRK...It is clear that there would be nothing to expect even if the DPRK sits at the negotiating table with the U.S. under the present situation.⁶⁴

9.31 North Korea boycotted the round of Six-Party talks planned for September 2004. China sent several top officials to Pyongyang in an effort to persuade North Korea to attend, but their efforts were unsuccessful. China continued its strategy of downplaying North Korea's nuclear activities and focused instead on the need to rebuild the U.S.–DPRK relationship. In late September, the Chinese Foreign Minister Li Zhaoxing publicly questioned claims made by North Korean Vice Foreign Minister Choe that his country had turned its plutonium into nuclear weapons.⁶⁵ Mr Li blamed the breakdown of the proposed fourth round of Six-Party talks—scheduled for September 2004—on the 'exceptional mutual lack of trust between the DPRK and the United States'.⁶⁶ Other commentators attributed the boycott to Pyongyang's belief that a Democrat victory in the November U.S. Presidential election may provide it with greater flexibility in the negotiations.⁶⁷ As for Sino–U.S. relations, Secretary of State

62 The Hon. Alexander Downer MP, *Pyongyang Doorstop*, 18 August 2004, p. 1.

63 The Hon. Alexander Downer MP, *Pyongyang Doorstop*, 18 August 2004, p. 2.

64 'Spokesman for DPRK Foreign Ministry on Prospect of Six-Party talks', *Korean Central News Agency of DPRK*, 16 August 2004, <http://www.kcna.co.jp/index-e.htm> (accessed 20 December 2005).

65 Reuters, 'Chinese Minister doubtful on N. Korea nuclear claim', 29 September 2004, accessed from Nautilus Institute website, <http://www.nautilus.org/napsnet/dr/0409/SEPT2904.html> (accessed 6 January 2006). Mr Li commented: 'The official news I've got from the DPRK side seems not to be exactly the same as what you have heard about.'

66 Reuters, 'Chinese Minister doubtful on N. Korea nuclear claim', 29 September 2004, accessed from Nautilus Institute website, <http://www.nautilus.org/napsnet/dr/0409/SEPT2904.html> (accessed 6 January 2006).

67 See Peter Alford, 'Stalemate on N Korea talks tipped to break after US elections', the *Australian*, 12 October 2004, p. 8. The article quoted an unnamed official as stating that North Korea 'always tries for maximum flexibility of manoeuvre'. Pyongyang denied it was waiting for the U.S. election outcome stating: 'Who will become a next U.S. president is the Americans' interest. It has nothing to do with the DPRK'. 'Spokesman for DPRK Foreign Ministry on Prospect of Six-Party talks', *Korean Central News Agency of DPRK*, 16 August 2004.

Powell commented shortly after President Bush's re-election that they were the best they had been in more than 30 years.⁶⁸

9.32 On 10 February 2005, Pyongyang declared it was a 'full-fledged nuclear weapons state' and suspended its participation in the Six-Party talks.⁶⁹ It demanded that future talks must prioritise a significant reduction of U.S. military power in and around the peninsula, and announced its intention to remove fuel rods for the production of nuclear weapons-grade plutonium.⁷⁰

9.33 China's concern, however, was to ensure that Pyongyang returned quickly to the negotiating table. It was reported that Mr Yang Xiyu, a senior Chinese Foreign Ministry official, had told journalists that President Bush's reference to Kim Jong Il as a 'tyrant' in April 2005 had 'destroyed the atmosphere for negotiations'.⁷¹ It is significant that China was the only nation to continue high-level direct contacts with the North Korean leadership in the months following the February statement.⁷² It was partly China's influence that led to the U.S. and North Korea meeting bilaterally as part of the July 2005 Six-Party talks.

The fourth round of Six Party talks—July 2005

9.34 The opening of a new round of Six-Party talks on 26 July 2005 began with conciliatory rhetoric from both the U.S. and North Korea. Pyongyang emphasised its determination to denuclearise the peninsula: Washington affirmed its acceptance of North Korea's sovereignty and hinted that immediate regime change was not imperative.⁷³ For China, these were encouraging signs. Throughout the process of the multilateral talks, it had urged the U.S. to soften its language and North Korea to return to the negotiating table. Both objectives were now realised.

9.35 On the first day of discussions, the U.S. assured North Korea that it would not attack, thereby meeting Pyongyang's demand for an assurance of non-aggression.

68 Colin Powell, interview by Maria Bartiromo, *Wall Street Journal Report*, CNBC, November 12 2004.

69 See 'N Korea's statement in full', *BBC World News*, <http://news.bbc.co.uk/2/hi/asia-pacific/4252515.stm> (accessed 9 December 2005).

70 Larry Niksch, 'Korea: US–Korean Relations—Issues for Congress', *The Library of Congress*, 16 June 2005, p. 1.

71 See Joseph Kahn, 'China says U.S. impeded North Korea arms talk', *New York Times*, 13 May 2005.

72 Professor Gennady Chufirin, 'The North Korean Nuclear Crisis', *Social Science Research Council*, <http://northkorea.ssrc.org/Chufirin/> (accessed 9 December 2005). Professor Chufirin notes a brief meeting between the head of the North Korean Parliament, Kim Jong-Nam, and the Prime Minister of South Korea, Lee Hae-Chan, during the Asia–Africa summit in Jakarta in April 2005.

73 Christopher Hill, *US Opening Statement at Fourth round of Six-Party talks*, 26 July 2005, <http://usinfo.state.gov/eap/Archive/2005/Aug/03-391434.html> (accessed 5 January 2006).

However, North Korea disagreed with U.S. demands that its complete, verifiable and permanent dismantlement of nuclear weapons must precede aid and security guarantees.⁷⁴ The other point of disagreement was the definition of 'denuclearisation'. North Korea insisted that U.S. nuclear weapons must be removed from South Korea. The U.S. and South Korea insisted these weapons had been removed three years earlier.⁷⁵

9.36 It was China that initiated progress at the talks by drafting a proposed agreement on broad principles for ending North Korea's nuclear weapons program. The U.S. supported the various drafts. On 29 July 2005, the chief U.S. envoy to the talks, Mr Christopher Hill noted: 'we give a lot of credit to the Chinese for putting this all together'.⁷⁶ Later, he praised China for 'really trying to push to get to resolution of this round...I think the Chinese side has done a very good job of trying to meet various needs'.⁷⁷ The *New York Times* noted of Mr Hill:

He regularly complimented his 'Chinese hosts' and spoke of the draft joint statement as the 'Chinese draft text'. Not only did this play to China's desire to be seen as an international diplomatic player, but it also placed implicit pressure on North Korea, since the draft under consideration was a 'Chinese text', not an American one.⁷⁸

9.37 Nonetheless, after 13 days the talks failed to secure a statement of principles. The U.S. took issue with North Korea's insistence that the DPRK still had the right to build light-water reactors to generate electricity.⁷⁹ It was agreed that talks would recommence on 29 August 2005.

Agreement on disarmament—the September joint statement

9.38 The Six-Party talks resumed in September 2005. It began with China pressing the parties to allow North Korea to retain a nuclear energy program, including a light-water reactor, in return for the DPRK abandoning its nuclear weapons. This strategy was the basis for the first of six principles in a joint statement signed by the six parties on 19 September 2005. It advanced the 1994 *Agreed Framework* from simply freezing

74 Edward Cody, 'U.S., N. Korea focus on bilateral talks', *Washington Post*, 26 July 2005. The article made reference to an 'unnamed source'.

75 See Jim Yardley and David Sanger, 'U.S. tries a new approach in talks with North Korea', *New York Times*, 27 July 2005. See also the comments of U.S. Secretary of State, Dr Condoleezza Rice, Interview on *The NewsHour with Jim Lehrer*, 28 July 2005, Transcript available at <http://www.state.gov/secretary/rm/2005/50349.htm> (accessed 3 March 2006).

76 Christopher Hill, Transcript, 'Hill reports "encouraging signs" at the Six Party talks', *Washington File*, 29 July 2005.

77 'US lauds China's efforts on North Korea Six-Party talks', Transcript of Assistant Secretary Christopher Hill at Six-Party talks, Regis Hotel, *usinfo.state.gov*, 3 August 2005.

78 Jim Yardley, 'US and North Korea blame each other for stalemate in talks', *New York Times*, 8 August 2005.

79 Light-water reactors are harder to use for bomb-making than heavy-water types.

North Korea's nuclear program to focussing on its abandonment. The six principles were:

- (i) 'that the goal of the six-party talks is the verifiable denuclearization of the Korean Peninsula in a peaceful manner'. To this end, North Korea committed to abandoning all nuclear weapons and nuclear programs and returning to the NPT and IAEA safeguards. However, it reserved the right to 'peaceful uses of nuclear energy'. The other parties agreed to discuss 'at an appropriate time' the provision of a light-water reactor. The U.S. confirmed it has no nuclear weapons on the Korean Peninsula and has no intention to attack the DPRK;
- (ii) that both North Korea and the U.S. undertake to respect each other's sovereignty and to take steps to normalise their bilateral relationship;
- (iii) that all six parties undertake to promote economic cooperation in the fields of energy, trade and investment, bilaterally and/or multilaterally. China, the U.S., the Republic of South Korea and Russia stated their willingness to provide energy assistance to North Korea;
- (iv) that the six parties committed to 'explore ways and means for promoting security cooperation in northeast Asia';
- (v) that the six parties agreed 'to take coordinated steps to implement the aforementioned consensus in a phased manner in line with the principle of "commitment for commitment, action for action"'; and
- (vi) that the six parties agreed to hold the fifth round of the six party talks in Beijing in early November 2005.⁸⁰

9.39 Several sources praised China for its lead role in framing these principles. The chief U.S. negotiator described the outcome as 'really one of the best examples of multilateral diplomacy in this part of the world'.⁸¹ The *Washington Post* noted:

Although only preliminary, the agreement was a triumph for China, which has undertaken to host and referee the talks on a major Asian security problem. The mission has been a new exercise in leadership for China, emerging as a regional leader after years of standing on the sidelines and preaching non-interference in other countries' affairs.⁸²

80 The transcript of the statement can be found at the U.S. Department of State website at: <http://www.state.gov/r/pa/prs/ps/2005/53490.htm> (accessed 9 December 2005).

81 See 'Disarmament documentation: Six Party talks on North Korea's nuclear program, Selected comment, 13–19 September 2005', *The Acronym Institute*, <http://www.acronym.org.uk/docs/0509/doc06.htm> (accessed 9 December 2005).

82 Edward Cody, 'N Korea vows to quit arms program', *Washington Post Foreign Service*, 19 September 2005.

9.40 Professor Hugh White, Head of the Strategic and Defence Studies Centre at the Australian National University said of the statement: 'It appears to be a huge diplomatic coup for China and a significant softening of the US position'.⁸³ Professor James Cotton of the Australian Defence Force Academy commented:

This policy represents a major modification of the ambitious Bush axis doctrine. From being implacably opposed two years ago to any form of concession or reward to a recidivist violator of agreements, the US is now prepared to contemplate compensation and diplomatic recognition.⁸⁴

9.41 However, Professor Cotton had reservations about whether the plan would lead to permanent disarmament.⁸⁵ He claimed that the plan was essentially a return to the terms of the 1994 *Agreed Framework*, particularly if Pyongyang is granted a light-water reactor. The key test was whether Pyongyang would rejoin the NPT and allow the return of IAEA safeguards.⁸⁶

9.42 Within days, however, the deal seemed to be unravelling. The North Korean Foreign Ministry insisted: 'We will return to the nuclear non-proliferation treaty and sign the safeguards agreement with the International Atomic Energy Agency...upon the U.S. provision of light-water reactors'.⁸⁷ Chinese Foreign Ministry spokesman, Mr Qin Gang, explained he 'didn't think the North Koreans misunderstood or misinterpreted the joint statement'.⁸⁸ Christopher Hill insisted that 'the North Koreans know precisely what they agreed to'.⁸⁹ Others were more damning. Professor Robyn Lim of Nanzan University commented:

North Korea does nothing but lie and cheat. Sure enough Pyongyang is already backing down from Monday's commitment. And the NPT is unravelling.⁹⁰

83 Professor Hugh White quoted in Catherine Armitage, 'N Korea abandons its nukes', the *Australian*, 20 September 2005, p. 1.

84 Professor James Cotton quoted in Paul Kelly, 'A death knell to the Bush doctrine', the *Australian*, 21 September 2005, p. 12.

85 Professor James Cotton quoted in Geoffrey Barker, 'Peace and Pyongyang prevail', *Australian Financial Review*, 20 September 2005, p. 12.

86 Professor James Cotton quoted in Geoffrey Barker, 'Peace and Pyongyang prevail', *Australian Financial Review*, 20 September 2005, p. 12.

87 Korean Central News Agency of DPRK, 'Spokesman for DPRK Foreign Ministry on Six-Party talks', 21 September 2005, <http://www.kcna.co.jp/index-e.htm> (accessed 5 January 2006).

88 The quote was reported by Kyodo News, <http://home.kyodo.co.jp/modules/fstSpecial01/index.php?cmenuid=19&> (accessed 5 January 2006).

89 Christopher Hill, *Remarks on the Six-Party Peace Talks*, New York, 11 October 2005.

90 Professor Robyn Lim, 'Upping the ante on N-weapons', *Australian Financial Review*, 21 September 2005, p. 63.

9.43 Still, some commentators believe that the enforcement of the six principles will be a test of China's regional leadership. Mr Charles Krauthammer wrote in the *Washington Post* that if the statement of principles holds, 'it will mark China's emergence from an economic and demographic dynamo to a major actor on the world stage, and serious rival to American dominance in the Pacific'. Mr Krauthammer argued that if China can succeed where the U.S. failed, 'it will have shown that the future lies in association with China, with or without the United States'.⁹¹

9.44 Dr Peter Van Ness from the Australian National University argued that a successful resolution of the North Korean nuclear issue would have significant benefits for all nations with a vested interest in regional security. He told the committee that:

...in my opinion Australia and every other country in the region has a huge stake in the outcome of those six-party talks and has a huge interest in supporting and encouraging a negotiated conclusion to those talks. This is particularly since the talks may in the end...provide the Chinese, and a number of others who are in discussion, a foundation for security institutions in North-East Asia to help maintain and sustain stability, interdependence and collaborative economic development.⁹²

9.45 However, while the September statement may have secured a common goal, the strategy for disarmament and compensation has divided the six parties. This was apparent in the fifth round of Six-Party talks from 9–11 November 2005.

The fifth round of Six-Party talks—November 2005

9.46 Again, China's negotiators paved the way for the talks with a positive preliminary meeting between Presidents Kim Jong Il and Hu Jintao. Mr Wang Jiarui, the chief of the Chinese Communist Party's international department, observed: '...from my observations we have reason to believe that the fifth round of talks will be on schedule and will lead to results'.⁹³

9.47 When the talks began, China's Deputy Foreign Minister, Mr Wu Dawei, appealed for all parties to be flexible in their approach to an implementation plan. China shared South Korea and Russia's preference for allowing further aid before disarmament.⁹⁴ China's President Hu had promised more economic cooperation with

91 Mr Charles Krauthammer, 'China's moment', *Washington Post*, 23 September 2005, p. A23.

92 Dr Peter Van Ness, *Committee Hansard*, 13 September 2005, p. 18.

93 Nuclear Threat Initiative, 'North Korea repeats demand for light-water reactor', 31 October 2005, http://www.nti.org/d_newswire/issues/2005/10/31/ec3dda4d-b88c-4288-a10c-5aa731a3fce9.html (accessed 5 January 2006).

94 See Liu Jianchao, Foreign Ministry Spokesman, *Press Conference*, 8 November 2005, <http://www.fmprc.gov.cn/eng/xwfw/s2510/t220541.htm> (accessed 5 January 2006). See also Peter Wallsten and Tyler Marshall, 'Allies differ on N Korea approach', *Los Angeles Times*, 17 November 2005.

Pyongyang during his meeting with President Kim in October. The South Korean government also stated its enthusiasm for new investment initiatives in North Korea, following the opening of a \$US10 million joint textiles company the previous month.⁹⁵ The South Korean National Assembly also approved a doubling of its North Korean aid budget (to \$US2.6 billion) for 2006. In contrast, the U.S. reiterated its position at the talks that a light-water reactor for nuclear energy would not be given to North Korea until it had completely disarmed. Japanese negotiators also took this hard line.⁹⁶ According to David Sanger of the *New York Times*, the U.S. government's focus had been to cut off as many of North Korea's sources of revenue as it can.⁹⁷ Indeed, there is still a view within Washington that regime change—not unification—is the key to resolving the nuclear issue.⁹⁸

9.48 Shortly after the talks adjourned, North Korea proposed a five-step plan for disarmament. The five stages were to:

- halt plans for nuclear tests;
- ban the export of nuclear technology;
- ban further weapons production;
- dismantle the nuclear program; and

95 David Sanger, 'US and Seoul share a goal but not a strategy on North Korea', *New York Times*, 17 November 2005. Anthony Faiola, 'N Korea gains aid despite arms standoff', *Washington Post*, 16 November 2005.

96 Japan's relationship with North Korea has been tested by the admission of Kim Jong-il to Japanese Prime Minister Junichiro Koizumi in September 2002 that North Korea had abducted 13 Japanese nationals in the 1970s and 1980s. Five of the thirteen abductees have returned to Japan. Japan rejects North Korea's claims that the other eight are dead and has scientifically disproved Pyongyang's claim that bone fragments it had sent to Japan were the remains of the abductees. The issue has aroused considerable public anger in Japan and led to the Japanese government's suspension of aid shipments to the DPRK in 2004.

In November 2005, Japan's Ministry of Foreign Affairs noted that the UN General Assembly had overwhelmingly passed a resolution—'Situation on human rights in the Democratic People's Republic of Korea (DPRK)'—which referred explicitly to the abduction issue. The Ministry released a statement stipulating: 'Japan strongly hopes that North Korea will seriously accept the message of the international community shown in the resolution and take sincere action toward improving the situation of human rights including the resolution of the abduction issue'. Ministry of Foreign Affairs of Japan, *Statement by the Press Secretary/Director-General for Press and Public Relations, Ministry of Foreign Affairs, on the Adoption of the Resolution on the Situation of Human Rights in the DPRK at the Third Committee, United Nations General Assembly*, <http://www.mofa.go.jp/announce/announce/2005/11/1118.html> (accessed 16 December 2005).

97 David Sanger, 'US and Seoul share a goal but not a strategy on North Korea', *New York Times*, 17 November 2005.

98 See David Sanger, 'US and Seoul share a goal but not a strategy on North Korea', *New York Times*, 17 November 2005. Also, David Rennie, 'Rumsfeld calls for regime change in North Korea', *Daily Telegraph* (UK), 23 April 2003.

- rejoin the NPT and submit to IAEA safeguards.⁹⁹

9.49 North Korea's top negotiator, Deputy Foreign Minister Mr Kim Gye Gwan, emphasised that these steps are conditional on the 'action for action' principle: 'we will act if action is made... We will never move first'.¹⁰⁰ The sequence of disarmament and reward will continue to be the vexed issue in future Six-Party talks. There remain difficult negotiations before any significant steps toward an agreement on nuclear disarmament can be reached. Kim Gye Gwan described the November 2005 talks as:

a beacon guiding the six parties towards progress... But that beacon at present is far away and, moreover, the mist on the ocean is thick and sometimes it blurs the beacon.¹⁰¹

9.50 Nonetheless, China's recent influence in Korean Peninsula affairs cannot be doubted. Ms Anne Wu, a visiting fellow at the Kennedy School of Government, wrote in the *Washington Quarterly*:

China has significantly departed from its traditionally low-profile diplomacy in Korean peninsula affairs with an explicit message that North Korea must put an end to its nuclear weapons program. This decisiveness contrasts sharply with Beijing's onlooker approach to the first North Korean crisis...¹⁰²

Committee view

9.51 The committee recognises China's role in mediating the Six-Party talks. It indicates that China's influence on the world stage is extending beyond trade and into security issues (see also chapter 3). China is rightly concerned at the prospect of social unrest and political instability in bordering North Korea, and at the possibility of a nuclear arms race in the region. For these reasons, the committee emphasises that China's involvement in the Six-Party process is driven principally by concern for its own internal stability. It should not be interpreted as a plan to rival America's strategic dominance in the Asia-Pacific. It is clear from the Six-Party process that China wants to play an important role in international diplomacy and deserves commendation for this role.

99 'North Korea proposed five-step plan to disarm at latest talks', *China Daily*, 14 November 2005, http://www.chinadaily.com.cn/english/doc/2005-11/14/content_494486.htm (accessed 5 January 2006).

100 'North Korea proposed five-step plan to disarm at latest talks', *China Daily*, 14 November 2005, http://www.chinadaily.com.cn/english/doc/2005-11/14/content_494486.htm (accessed 3 March 2006).

101 Embassy of the People's Republic of China in the United States, 'Six Party talks restart with mixed hope and caution', <http://www.china-embassy.org/eng/xw/t220638.htm> (accessed 2 March 2006).

102 Ms Anne Wu, 'What China whispers to North Korea', *The Washington Quarterly*, vol. 28, no. 2, p. 36.

Japan and the Republic of Korea: broader interests

9.52 At the same time, it is important to note that both Japan and South Korea have reacted to the North Korean nuclear issue mindful of their broader relationship with China. The cases of Japan and South Korea contrast. As Professor Chung Min Lee from the National University of Singapore noted:

...Japanese policy toward the Korean Peninsula remains a critical facet of Tokyo's balancing posture *vis-à-vis* Beijing, in that the maintenance of a robust Washington–Tokyo–Seoul strategic triangle serves not only to coordinate policies toward North Korea but also as a counterweight to China's increasingly dominant posture in northeast Asia.¹⁰³

On the other hand:

While Seoul has taken care to emphasize that it continues to view as fundamental its alliance with the United States...Seoul's posture toward Pyongyang has increasingly coincided with Beijing's views rather than Washington's. In part, such a transformation illustrates Seoul's increasing desire to shape its own 'boutique' foreign and national security policy by balancing its decades-old alliance with the United States with new linkages with China.¹⁰⁴

Australia's continuing interest in the North Korean nuclear issue

9.53 It was noted earlier (paragraph 9.30) that Australia has maintained bilateral ties with Pyongyang, with visits by Minister Downer to the capital in November 2000 and August 2004. Mr Downer has made clear that Australia supports the Six-Party talks and takes 'every opportunity to tell North Korea that nuclear weapons have no place on the Korean peninsula'.¹⁰⁵ In November 2005, he told an audience in Seoul:

Japan, China and South Korea are Australia's largest export markets and stability in this region is important to us...Once the North verifiably abandons its nuclear programs, Australia is willing to provide significant development aid, energy assistance and nuclear safeguards expertise to assist dismantlement...Australia is already one of the major suppliers of energy products to North East Asia...and this would be a logical area where we could contribute funding and expertise to a settlement brokered in the six-party talks.¹⁰⁶

103 Professor Chung Min Lee, 'China's Rise, Asia's Dilemma, *The National Interest*, Fall 2005, p. 91.

104 Professor Chung Min Lee, 'China's Rise, Asia's Dilemma, *The National Interest*, Fall 2005, p. 91.

105 The Hon. Alexander Downer MP, 'Australia and Korea: Shared interests, Shared future', *Speech to the Korea Press Foundation*, Seoul, 14 November 2005, p. 3.

106 The Hon. Alexander Downer MP, 'Australia and Korea: Shared interests, Shared future', *Speech to the Korea Press Foundation*, Seoul, 14 November 2005, p. 5.

9.54 The issue of aid is important: more than one-quarter of North Koreans have relied on the UN's World Food Program since the 1990s famine.¹⁰⁷ The Australian government has expressed strong concern at the current humanitarian situation. It is particularly anxious at Pyongyang's recent decision to end the World Food Programme's (WFP) emergency distribution programs and restrict the number of WFP staff and monitoring visits. Mr Downer's response to the policy announcement was blunt: 'I think it will cost lives that policy'.¹⁰⁸

9.55 Encouragingly, in February 2006, the board of the WFP announced a \$US102 million two-year plan for delivering aid to North Korea.¹⁰⁹ There has also been a report that North Korea will ask the UN to resume food aid.¹¹⁰ At the time of tabling this report, however, these developments were unclear.

Recommendation 6

9.56 The committee recommends that the Australian government continue its efforts to encourage North Korea to abandon its nuclear weapons program and resume full receipt of international aid. It notes the success of China's efforts to date in the Six-Party process and urges the Australian government to continue supporting China in its efforts to broker and implement a strategy for disarmament.

Conclusion

9.57 Although unresolved, the North Korean nuclear issue has demonstrated China's capacity for a strategic and patient approach to multilateral diplomacy. It has balanced its support for the Pyongyang regime with its fears that North Korean weapons may lead its neighbours—particularly Japan and Taiwan—to adopt nuclear weapons programs.

9.58 To this end, China has assumed the role of arbiter between North Korea and the U.S. Unlike the U.S., China's preference for regime stability in Pyongyang has seen it favour continuing aid and economic engagement with the DPRK. This support, and its insistence on North Korean disarmament, made China the obvious choice to host and lead the multilateral negotiations. It also gave support to the softer faction within the U.S. State Department and National Security Council, which favoured negotiations with the DPRK and doubted the benefits of a North Korean collapse. This has been important to maintain Washington's engagement in the Six-Party process.

107 See Michael Sheridan, 'N Korea gears up to make nukes', the *Australian*, 2 January 2006, p. 8.

108 The Hon. Alexander Downer MP, 'Australia and Korea: Shared interests, Shared future', *Speech to the Korea Press Foundation*, Seoul, 14 November 2005, p. 1.

109 Reuters, 'WFP sees \$100 mln aid for N. Korea, with conditions', 26 February 2006, <http://www.alertnet.org/thenews/newsdesk/L23209665.htm> (accessed 5 March 2006).

110 Reuters, 'N. Korea to ask for food aid to resume—LA Times', 23 February 2006, <http://www.alertnet.org/thenews/newsdesk/11406916600.htm> (accessed 5 March 2006).

Nonetheless, there remains support within the U.S. government to isolate North Korea diplomatically and thereafter, through sanctions.

9.59 The committee recognises that the negotiating process for North Korea's nuclear disarmament is likely to be long and arduous. It warns against expectations that China will broker a ready solution. That said, the committee does note that China's role to date has been significant and a fillip for U.S.–Sino relations. Since the September 2005 statement was signed, the multilateral discussion has turned to disarmament *plans*.

9.60 China and the Republic of South Korea now have important roles in planning how the 'action for action' principle is to work. Their approach to concessions is clearly more flexible than that of the U.S. government. Notwithstanding U.S. demands for immediate dismantlement, China may again exert a moderating influence on the U.S. government's position and shape a workable compromise. It is clear that on this issue, China will be vital to the multilateral response.