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**CORE PAPERS
FOR
Secretary of State-designate
MADELEINE ALBRIGHT**

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What is U.S. Policy?

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- To enhance ROK security and regional stability;
- To keep frozen and eventually dismantle the DPRK nuclear program as well as halt its proliferation of missiles and related technology;
- To foster inter-Korean dialogue;
- To forestall drastic consequences from DPRK collapse.

What is the USG doing?

- Enhance our alliance and upgrade capabilities of our 37,000 troops in the ROK.
- Monitor the 1994 U.S.-DPRK Agreed Framework under which the DPRK froze, under IAEA monitoring, and will eventually dismantle its nuclear weapons program. The U.S., ROK, Japan (and soon the EU), make up the Executive Board of the Korean Peninsula Energy Development Organization (KEDO), which funds and implements much of the Agreed Framework, including provision of proliferation-resistant light water reactors.
- In April 1996, Presidents Clinton and Kim proposed Four Party talks (U.S., two Koreas and China) on peace arrangements to replace the 1953 Armistice.
- We have engaged the DPRK bilaterally on missile proliferation, recovery of remains of Korean War MIAs, and exchange of liaison offices.
- We are working to resolve the "submarine incident" and related issues.

What's Next

- We and the ROK have proposed a "joint briefing" to give the DPRK a clearer picture of our expectations of the Four Party process. This may be held in early 1997.
- We expect to schedule a second round of U.S.-DPRK talks on missile development and exports for early 1997.
- When technical issues are resolved, we expect to exchange liaison offices with the DPRK, perhaps early in 1997. In keeping with the Agreed Framework, we will consider economic sanctions reductions as the DPRK addresses our concerns.
- The first U.S.-DPRK joint operation to recover the remains of Korean War MIAs took place in July 1996. The next such operation may take place in early 1997.

Potential Pitfalls

- Provocative DPRK actions or internal trouble (e.g., food shortages) can disrupt relations. Persistent funding problems threaten KEDO's ability to meet its Agreed Framework obligations. Congress is highly skeptical of KEDO's effectiveness and has placed strong restrictions and limits on FY97 funding. Congress is sensitive to ROK fears of the U.S.-DPRK dialogue.

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