

# Chinese Policy toward the Two Koreas

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## ABSTRACT

The Chinese policy toward the Korean Peninsula from the beginning of the Korean War in 1950 had been to keep it within the Chinese sphere of influence. As the occupation of the Korean Peninsula by a hostile nation would inevitably threaten China's national security it would not allow any foreign domination of Korean Peninsula. Therefore, China has consistently supported North Korea economically and militarily for the past half century. However, the Chinese policy toward South Korea was beginning to change as South Korea hosted the Olympic in 1988. North Korea also participated in the Olympic. China began to adopt an equal distance policy toward the two Koreas and established the diplomatic relations with the Republic of Korea (ROK) in 1992, an act of which was in fact the recognition of two governments in the Korean Peninsula. However, China insisted a peaceful reunification of two Koreas by opposing any attempt to reunify two Koreas by military means thus endorsing North Korean policy of reunification. When North Korea developed nuclear weapons in the 1990s and withdrew from the Non Proliferation Treaty (NPT) in 1992, China supported the Six-Nation Talks by hosting them in Beijing for the sake of denuclearization of North Korea. This paper reviewed the role of China in the six-party talks, participated by China, the United States, Russia, Japan and two Koreas. Following series of negotiations in the 1990s and the six-party talks from 2003 to 2007 ten joint statements and agreements came out. This paper attempted to analyze them in the context of Sino-North Korean relations as well as North-South Korean relations. It is the conclusion of this paper that China expressed its national interest to realize the nuclear-free Korean Peninsula. It is also China's interest that the two Koreas achieve the peaceful reunification. The Sino-South Korean relations has changed into a "strategic cooperative partnership" under the newly inaugurated government of Lee Myung-Back in Seoul.

**Key Words:** Sino-Korean Security Issues, North-South Korean Relations, Reunification of Two Koreas

## **Introduction**

China has emerged as major power in the international politics of East Asia ever since it achieved a victory over the Guomindang (Nationalist) government and proclaimed the People's Republic of China (PRC) in October 1949. China also dispatched the Chinese People's Volunteer Forces to fight in the Korean War (1950-53) and rescue the Democratic People's Republic of Korea (DPRK, North Korea) as it was at the verge of collapse when the United Nations forces crossed the 38<sup>th</sup> parallel line and occupied most of North Korea in the fall of 1950. North Korea has been under the security umbrella of the People's Republic of China for more than a half century.

North Korea thus depends heavily on the PRC in its international diplomacy and national security, as well as its economy, following the establishment of diplomatic relations between the two countries. China also prevented the U. N. Security Council from taking sanctions against North Korea when it withdrew from the Nonproliferation Treaty (NPT) in March 1993. The North Korea-China Friendship Treaty, a virtual security pact concluded in July 1961, which enabled China to offer military assistance to North Korea, is still in effect. For a quarter of a century following the Korean War, the PRC adopted a rigid one-Korea policy in the diplomatic, military and economic fields. During this period, Beijing also provided Pyongyang with generous financial grants and loans and carried out a bilateral trade.

China was the major donor of economic and technical assistance to North Korea during the post-Korean War reconstruction of its economy. China provided a grant of 800 million yuan to restore North Korea's war-torn economy. North Korean leader Kim Il Sung also was able to negotiate successfully to receive in 1976 an estimated US\$ 967 million in grants and loans from China. North Korea's trade with China accounted for 20% of its foreign trade throughout the 1970s and 1980s. As North Korea does not produce a single drop of oil, the major import item from China was crude oil. The China-Korea Friendship Pipeline, constructed with joint effort in January 1976, transported oil from Chinese Daqing oilfield to North Korea. When Chinese Premier Hua Guofeng visited North Korea in 1978, China agreed to increase its annual oil export to one million metric tons at the "friendship price" (US \$4.50 a barrel), lower than international market price. The PRC also signed long-term trade agreements for the period of 1982-86 as well as for the period of 1987-91, which helped the DPRK's third seven-year economic development plan (1987-93). Beijing and Pyongyang held numerous economic meetings and concluded agreements in a variety of fields, such

as trade, hydroelectric power, navigation, communications, publications, educational exchanges, public health, and science and technology.

North Korean leader Kim Il Sung also visited China more than 40 times during his life time and had summit meetings with many Chinese leaders, including Mao Zedong, Zhou Enlai, Hua Guofeng, Deng Xiaoping, Zhao Ziyang, and Hu Yaobang, meeting which cemented the solidarity of North Korean relations with the PRC. The Chinese leaders also paid reciprocal visits to Pyongyang to consolidate the diplomatic and security relations between the two counties.

When North Korean leader Kim Il Sung died in July 1994, Deng Xiaoping extended condolences to the Korean Workers' Party Central Committee (KWP CC) and expressed his "deep grief" at the loss of a "close comrade in arms." China also recognized Kim Jong-il, the son of Kim Il Sung, as the new supreme leader in North Korea to assist in his smooth transition to power. When Kim Il Sung's 44-year rule was over, China expected that his successors would pursue a pragmatic open-door foreign policy and improve inter-Korean relations. China also invited Kim Jong-il to visit China in January 15-20, 2001, which was his third visit (he visited once in June 1983 and again in May 2000.) During his 2001 visit Kim toured the Pudong industrial complex in Shanghai, inspecting the US\$1.5 billion Buick plant and other flagship Sino-foreign joint ventures, such as NEC's US\$ 1.2 billion semiconductor foundry in Zhangjiang High Tech Park. He also had summit meetings with Chinese leader Jiang Zemin in Beijing in January 2001. Chinese leader Jiang also reciprocated his visit in September 2001, accompanied by over 100 officials from the PRC government, the Chinese Communist Party (CCP), and the military and economic sectors. The PRC and DPRK have thus gained full momentum in making exchanges at various levels since the PRC-DPRK summit talks in Pyongyang.<sup>1</sup>

However, the Chinese policy toward North Korea began to change when China recognized the Republic of Korea (South Korea) and established diplomatic relations in 1992.<sup>2</sup> This article will discuss the shifting Chinese policy toward the two Koreas against the background of the normalization of diplomatic relations with the Republic of Korea as well as Chinese views and positions on North Korea's denuclearization. China recognized North Korea as a sole legitimate government on the Korean peninsula during the Cold War era, but gradually shifted to an equidistant policy toward North and South Korea when the Cold War ended and ushered in a new international environment. More specifically the Chinese policy of equal distance to North and South Korea well expressed in its role in and policy toward the

denuclearization of North Korea at the six-party talks that included China, Russia, the United States and Japan as well as North and South Korea.

### **Nuclear Development in North Korea**

The history of nuclear development in the Democratic People's Republic of Korea is more than 50 years old. North Korean nuclear scientists began their study in the Soviet Union and East European countries in the 1950s. The training of North Korean nuclear scientists was in the interest of the peaceful use of atomic energy. Soviet-North Korean agreements signed in this connection specifically stressed the peaceful nature of bilateral cooperation in the development of nuclear energy. North Korean nuclear scientists also received their training in East Germany, West Germany, and Japan, and some underwent practical training at Chinese nuclear facilities as well. North Korea's scientific and experimental infrastructure in the nuclear field was built with Soviet technical assistance. Soviet technicians also took part in the construction of the nuclear facilities at Yongbyon, 92 kilometers north of Pyongyang, which was suspected of having produced sufficient plutonium to make two or three nuclear bombs in the early 2000s. The Geneva Agreed Framework of 1994 after series of negotiations between the United States and North Korea, froze the nuclear program in Yongbyon during the Clinton administration.

In the mid-1960s, North Korea established a large-scale atomic energy research complex in Yongbyon and trained specialists from students who had studied in the Soviet Union. In 1965, North Korea assembled a Soviet IRT-2M research reactor for this center. From 1965 through 1973 fuel elements enriched to 10 percent were supplied to North Korea for this reactor. In the 1970s, North Korean nuclear scientists focused their research on the nuclear fuel cycle, including refining, conversion and fabrication. In the 1970s, North Korean scientists modernized a Soviet-built research reactor by increasing its capacity to 8 megawatts. During the same period, North Korea also began to build a five MW research reactor that was called the "second reactor". In 1977, North Korea concluded an agreement with the IAEA, which allowed the IAEA to inspect a research reactor, built with the Soviet assistance.<sup>3</sup>

The nuclear weapons program in North Korea dates to the 1980s, which focused on the practical uses of nuclear energy and the completion of a nuclear weapons development system. North Korea began to operate facilities for uranium fabrication and conversion. In 1985, U. S. officials announced for the first time that they had intelligence data proving that North Korea had built a secret nuclear reactor 90 kilometers north of

Pyongyang near the small town of Yongbyon. However, that installation had already been known for eight years from official IAEA reports. In 1985, under international pressure, Pyongyang acceded to the Treaty on the Non-Proliferation of Nuclear Weapons (NPT). However, the DPRK refused to sign a safeguards agreement with the IAEA, an obligation it has as a party to the NPT.<sup>4</sup>

In July 1988, South Korean President Roh Tae-woo called for new efforts to promote North-South Korea exchanges, family reunions, inter-Korean trade, and contact in international forums. President Roh also followed up this initiative in a UN General Assembly speech in which South Korea offered for the first time to discuss security matters with the North. Initial meetings that grew out of Roh's proposals started in September 1989. In September 1990, the first of eight prime-minister level meetings between North and South Korean officials took place in Seoul, which began a period of fruitful dialogue. The prime ministerial talks brought about two major agreements in late 1991: the Agreement on Reconciliation, Nonaggression, Exchanges, and Cooperation known as the Basic Agreement and the Declaration on the Denuclearization of the Korean Peninsula, known as the Joint Declaration.<sup>5</sup>

The Joint Declaration called for a bilateral nuclear inspection regime to verify the denuclearization of the peninsula. The Declaration, which took effect on February 19, 1992, stated that the two sides "shall not text, manufacture, produce, receive, possess, store, deploy or use nuclear weapons," and that they "shall not possess nuclear reprocessing and uranium enrichment facilities." A procedure for inter-Korean inspection was to be organized and a North-South Joint Nuclear Control Commission (JNCC) mandated with verification of the denuclearization of the peninsula.<sup>6</sup>

On January 30, 1992, North Korea also signed a nuclear safeguards agreement with the IAEA, as it had pledged to do in 1985, when accepting the Nuclear Non-Proliferation Treaty. This safeguard agreement allowed IAEA inspections to begin in June 1992. In March the JNCC was established in accordance with the joint declaration, but subsequent meetings failed to reach agreement on the main issue of establishing a bilateral inspection regime. Ignoring the North-South Joint Declaration of the Denuclearization of the Korean Peninsula, North Korea refused IAEA inspections and operated nuclear reprocessing facilities, which made the world suspicious of its nuclear intentions. On March 12, 1993, North Korea announced its withdrawal from the Nuclear Non-Proliferation Treaty (NPT). North-South dialogue thus halted and tension ran high on the Korean Peninsula as the confrontation between North Korea and the United States deepened.<sup>7</sup>

The U. S. responded by holding political-level talks with North Korea in early June 1993 which led to a joint statement outlining the basic principles for continued US-DPRK dialogue and North Korea's suspending its withdrawal from the NPT. The second round of talks was held in Geneva, July 14-19, 1994. These talks set the guidelines for resolving the nuclear issue, improving U.S.-North Korean relations, and restarting inter-Korean talks, but further negotiations deadlocked.<sup>8</sup>

Following North Korea's unloading of fuel from its five-megawatt nuclear reactor in the spring of 1994 and the U.S. push for UN sanctions as well as former President Jimmy Carter's visit to Pyongyang in June 1994, helped to defuse tensions and resulted in renewed North-South talks. A third round of talks between the US and the DPRK opened in Geneva on July 8, 1994. However, the sudden death of North Korean leader Kim Il Sung on July 8, 1994, halted plans for a first-ever South-North presidential summit and led to another period of inter-Korean animosity. The talks recessed because of Kim's death and then resumed in August, resulting in the Agreed Framework.

Under the Agreed Framework, the North would freeze and eventually dismantle its existing nuclear program, including the 5 MW reactor and 200 MW graphite-moderated reactors under construction, as well as its existing 5 MW reactor and nuclear fuel reprocessing facility. In return, North Korea would receive alternative energy, initially in the form of heavy oil, and eventually two proliferation-resistant light water reactors (LWR). The two 1,000 MW light-water nuclear reactors would be safer and would produce much less plutonium, in order to help boost the supply of electricity in the North, of which there is a critical shortage. The agreement also included a gradual improvement of relations between the U. S. and the DPRK, and committed North Korea to engage in a North-South dialogue.<sup>9</sup>

After signing the Agreed Framework, South Korean President Kim Young Sam loosened restrictions on South Korean firms desiring to pursue business opportunities with the North. Although North Korea continued to refuse official contacts with the South, economic exchanges expanded gradually. In accordance with the terms of the 1994 framework, the US government in January 1995 responded to North Korea's decision to freeze its nuclear program and cooperate with US and IAEA verification efforts by easing economic sanctions against North Korea in four areas through:

- Authorizing transactions related to telecommunications connections, credit card use for personal or travel related transactions, and the opening of journalists' offices;

- Authorizing D.P.R.K. use of the US banking system to clear transactions not originating or terminating in the United States and unblocking frozen assets where there is no DPRK Government interest:
- Authorizing imports of magnesium, a refractory material used in the US steel industry—North Korea and China are the world’s primary sources of this raw material; and
- Authorizing transactions related to future establishment of liaison offices, case-by-case participation of US companies in the light water reactor project, supply of alternative energy, and disposition of spent nuclear fuel as provided for by the agreed framework, in a manner consistent with applicable laws.

After some disagreement with regard to South Korean designed Light Water Reactor (LWR) model reactors, the US and DPRK reached an agreement on June 12, 1995, on the issue. North Korea agreed to accept the decisions of the Korean Peninsula Energy Development Organization (KEDO) with regard to the model for the LWR and agreed that KEDO would select a prime contractor to carry out the LWR project. North Korea also agreed to negotiate directly with KEDO on all outstanding issues related to the LWR project. KEDO and the DPRK signed the Light Water Reactor Supply Agreement on December 15, 1995. KEDO teams also made a number of trips to North Korea to survey the proposed reactor site; in the spring of 1996, KEDO and the DPRK began negotiations on implementing protocols to the supply agreement. The leading members of KEDO were South Korea, the United States and Japan, and KEDO reached an agreement on the provision of the light-water nuclear reactors by 2003. In return, North Korea froze its nuclear program. South Korea promised to bear the lion’s share of the reactor project, the cost of which was estimated at \$4.5 billion US dollars. KEDO and North Korea held a groundbreaking ceremony to begin construction of two light-water reactors on August 19, 1997.<sup>10</sup>

The inauguration of the George W. Bush administration in 2001 brought about the scraping of all the denuclearization agreements with North Korea. In his State of Union message in January 2002, President Bush charged North Korea as being one of three axes of evil, the other two being Iraq and Iran, and became the target of destruction during the

Bush administration. The denuclearization program of North Korea, a project of the Clinton administration, was scrapped and the Bush administration's hostility toward North Korea inevitably brought about the revival of North Korean nuclear weapons development program in the early 2000s. In October 2002, North Korean officials acknowledged the existence of a clandestine program to enrich uranium for nuclear weapons that was in violation of the Agreed Framework and other agreements. Moreover, on October 9, 2006, North Korea announced it had conducted a nuclear test and thus North Korea joined the nuclear club. North Korea also conducted a long-range missile test in 2005.

### **The Six-Party Talks for the Denuclearization of North Korea:**

The six-party talks, which included the United States, China, Russia, Japan, North Korea and South Korea, convened in Beijing, China, on August 28, 2003, after a series of discussions and negotiations between the major powers. The idea of convening the six-party talks to denuclearize North Korea was President Bush's and offered a way to scrap the Clinton administration's negotiations with North Korea for a nuclear free zone on the Korean peninsula in the 1990s. The primary objective of these talks was to find a way in which North Korea would halt its nuclear weapons and missile development. From the beginning the multi-national meetings were divided into the Northern Triangle and the Southern Triangle. China, Russia and North Korea tended to agree on the North Korean position on nuclear issues while the United States, Japan and South Korea agreed on the objectives of denuclearizing North Korea.

The Bush administration halted the bilateral negotiations with North Korea that the Clinton administration had begun in the 1990s and took a multilateral approach to solving the North Korean nuclear issue. After a series of six-party meetings a joint statement was agreed to and issued on September 19, 2005. During the negotiations, the United States took the position that North Korea should give up its nuclear program first and then proceed to the next step. The five other nations took the position that they should reach agreement first and then they would proceed to negotiate the abandonment of the nuclear weapons program. The United States eventually accepted the majority opinion and changed its position allowing for the final declaration of the Sixth-Party Agreement on September 19, 2005.<sup>11</sup>

Throughout the five rounds of the six-party talks in Beijing, all six parties agreed to resolve North Korea's nuclear development issues peacefully. "The United States and North Korea agreed to respect each other's independence and sovereignty, uphold the peaceful coexistence



of the two nations, and to take measures that would lead to the recognition of each other and the establishment of diplomatic relations.” The six parties also agreed to cooperate in energy, trade, and investment and in bilateral or multilateral trade relations. They also agreed to cooperate in the promotion of long-term stability and peace in Northeast Asia, and to convene the fifth session of the six-party talks in the early part of November 2005. The six nations also reconfirmed the joint statement of September 19, 2005, and reached an agreement that the purpose of the six-party talks was to achieve peacefully the denuclearization of the Korean peninsula by verifiable means.

The first nuclear crisis in North Korea was resolved peacefully in 1994, when the Clinton administration carried out direct negotiations with the DPRK in Geneva, and North Korea agreed to freeze its nuclear program following the U.S.-DPRK Agreed Framework of October 21, 1994, as has already been discussed in detail. In this Framework, the United States and the ROK agreed to supply North Korea with energy through the organization of the Korean Energy Development Organization (KEDO). The ROK government undertook the major burden of constructing the hydraulic power plants in North Korea to supply electricity in the 1990s. However, after his inauguration in 2001, George W. Bush adopted a hard line policy toward North Korea. The second nuclear crisis in North Korea thus began with mounting tension between the Bush administration and North Korea.

Even though the United States agreed to abide by the September 19, 2005 agreement, tension between the two hostile nations continued to mount as the result of the freezing of North Korean bank accounts holding \$25 million (at Banco Delta Asia in Macau). Japan and South Korea supported the U.S. position at the fourth round of six-party talks in July and September. When the six-party talks resulted in negotiated the September 19 Joint Statement, the two allies, South Korea and Japan, were reluctant to support the US freezing of North Korean accounts. It is uncertain if the \$25 million North Korean bank account was, in fact, counterfeit money or used for money laundering. In any case, Russia and China called for the United States to guarantee the security of North Korea and to normalize diplomatic relations by providing economic and energy aid to North Korea.

When the first North Korean nuclear crisis erupted in 1994, the Clinton administration negotiated successfully with North Korea. The Clinton administration invited Cho Myung Rok, Defense Minister of North Korea, to the White House as part of US-DPRK negotiations. Secretary of State Madeline Albright visited Pyongyang to discuss the normalization of diplomatic relations, and North Korea invited President

Clinton to visit Pyongyang and convene a summit meeting for the normalization of US-DPRK diplomatic relations. However, such a meeting never took place because of the US presidential election.

The Bush administration adopted a hard line policy toward North Korea that led the North to abandon the nuclear agreement with the United States and began to reprocess the sealed fuel rods after announcing that it was withdrawing from the Nuclear Non-Proliferation Treaty (NPT). At the same time North Korea initiated the uranium-based nuclear program to speed up the development of nuclear weapons. North Korea also began to develop a missile program. The second nuclear crisis thus began in October 2002, when North Korea acknowledged that it had started a reprocessing of uranium program.

In contrast to the first Korean nuclear crisis of 1994, China reacted more positively in 2002, participating more actively as a mediator to prevent the escalation of the conflict between North Korea and the United States. In the first nuclear crisis, the United States and North Korea had negotiated directly; however, in the second crisis, the United States avoided talks with North Korea. Therefore, China changed its posture from passive to active mediator. China was thus pursuing preventive diplomacy.

In short, the Chinese were very active in convening the six-party talks in Beijing. Chinese leader Hu Jintao dispatched his foreign minister to Pyongyang to deliver a personal letter to the North Korean leader. Hu's letter stressed the following three points: 1) China's recommendation was that North Korea must resolve the nuclear crisis through negotiation and mediation; 2) China would increase economic aid to North Korea; and, 3) China would attempt to persuade the United States to conclude a non-aggression treaty with North Korea and promise to North Korea that the US would not attack North Korea if North Korea expressed its willingness to denuclearize the Korean peninsula.

Kim Jong Il emphasized, in response to the Chinese proposal, that North Korea would accept the multilateral conference proposed by China, but it would be necessary to have bilateral talks between North Korea and the United States first to resolve the nuclear issues. The first six-party talks opened in Beijing on August 28, 2003, through the good offices of the People's Republic of China. They resulted in agreement over the following four points: 1) the Korean Peninsula should be denuclearized; 2) denuclearization should be executed through peaceful means; 3) denuclearization required "justifiable, rational, and comprehensive" plans; and, 4) the participants should avoid any statement or activities that would increase tensions. However, the United States took a "non-negotiable all-or-nothing stance" which would lead to

the breakdown of any negotiation. The United States demanded “Complete, Irreversible Dismantlement of North Korean nuclear programs (CVID)” and the six-party talks deadlocked.<sup>12</sup>

The second round of the six-party talks started in Beijing on February 25, 2004, but bilateral talks between the United States and North Korea had already begun to deteriorate when North Korea attempted to revise the statement from the first round. Chinese Deputy Foreign Minister Wang Yi stated that the difficulties in the talks were due largely to the “extreme mistrust between the United States and North Korea.”<sup>13</sup> However, China continued to make its effort to reopen the six-party talks in order to avoid war and pursue a peaceful resolution of the nuclear issues in Korea. Chinese Foreign Minister Li Zhaosong visited Pyongyang in March 2004 prior to the third round, while the foreign minister of the ROK visited Beijing and stressed the need for a professional staff meeting to lay the groundwork. Meanwhile, Kim Jong Il took a night train from Pyongyang to Beijing on April 2004 for his third visit to China. He discussed the future of the six-party talks with such Chinese leaders as Chairman Hu Jintao, Prime Minister Wen Zhabao, and former Chairman Jiang Zemin. Jiang tried to persuade Kim that North Korea should change from a hard line posture to a more moderate one at the six party talks since the United States was not likely to start a war against North Korea. The Chinese leaders understood that the United States would not be able to or want to fight another war in Korea while it was engaged in the Iraq War.

The United States position was somewhat more moderate in the third round of talks, and North Korea demanded that the United States lift its blockade and provide two million kilowatts of electric power as well as heavy crude oil in return for North Korea’s halting of its nuclear program. The United States informed the Chinese delegation that even if North Korea agreed to denuclearization, the US would not establish diplomatic relations with North Korea. However, South Korea stated that the United States would establish diplomatic relations with North Korea if it abandoned the nuclear program. The third round of six-party talks thus ended without any resolution, although Chinese Deputy Foreign Minister Wang Yi did issue a statement on the North Korean nuclear issue. The fourth six-party talks took place in Beijing in September 2004 but did not make any real progress. Therefore, in October, China invited Kim Young Nam, Chairman of the Supreme People’s Assembly and a nominal head of state in the DPRK, to discuss the future course of the six-party talks. He agreed with the Chinese leaders that they were the only means to reach an agreement on its nuclear issue.

US Secretary of State Colin Powell also met the Chinese leaders and emphasized the necessity of re-opening the six party talks. North Korea hoped that the election of a Democratic President in the November election would result in a change in policy, but with Bush's re-election and the only hope was to have China attempt to persuade Washington to take a more moderate approach and make concessions in its negotiations with North Korea.

On February 10, 2005, North Korea issued a statement that "[b]ecause of the vicious policy of the Bush administration which attempted to isolate the DPRK,"<sup>14</sup> North Korea was forced to produce nuclear weapons for its self-defense and would adopt a more combative foreign policy. Moreover, North Korea would not participate in the six-party talks. China again took on an active role to prevent the conflict from escalating between the United States and North Korea. China also increased its contacts with both North and South Korea and the Chinese sent an envoy to Pyongyang in 2005 in an attempt to moderate the North Korean leader's position. There was also more frequent contact between Beijing and Seoul. Seoul expected that the Chinese would be able to persuade North Korea to rejoin the six-party talks. However, the United States continued its hard line policy toward North Korea and criticized China for not putting enough pressure on North Korea to have it return to the six-party talks.

The most significant outcome of the six-party talks was the Joint Statement of September 19, 2005, which was issued after the fourth round of meetings from July 26 to August 7 and from September 13 to 19, 2005. According to the Joint statement the DPRK committed itself to "abandon all of its nuclear programs and return to NPT at an early date."<sup>15</sup> One more round of talks was held in November 2005; however, the implementation of the Statement of Principles stalled as the six parties had different interpretation of the obligations under the agreement. North Korea pulled out of the talks demanding that the United States lift financial sanctions as a condition for returning to the process. North Korea then carried out a missile test on July 5, 2006, and a nuclear test on October 9, 2006 despite Chinese advice against both. The Chinese reaction to the nuclear test was very harsh in contrast to the earlier missile test. After the missile test, China had weighed regional reactions before issuing an official statement of its own, deploring the missile test, but Beijing immediately condemned Pyongyang's nuclear test.

Moreover, China was willing to impose limited sanctions in order to send a signal to North Korea that it considered its hostile behavior unacceptable. However, China's leadership remained hesitant about supporting any sanctions against North Korea and was unwilling to

support military action. In addition, China continued supplying food and energy to the DPRK. From the Chinese perspective, stopping those supplies would mainly be harmful to the Korean people and far less so to the Pyongyang leadership and military complex. Thus, China believed that sanctions alone would not stop the nuclear weapons program. Beijing continued to be concerned about the stability of the North Korean regime and to avoid its collapse.

The February 13, 2007 agreement stipulated the first steps for fulfilling the long-term principles outlined in the Joint Statement of September 19, 2005, and included the verifiable denuclearization of the Korean Peninsula in a peaceful manner and the goal of normalization of relations between the United States and the DPRK. At the follow up six-party talk, convened in Beijing on March 22, 2007, however, the Chinese called a recess and Russian and North Korean delegates flew home as the result of the controversy over the \$25 million North Korean bank account. The money remained frozen at the Banco Delta Asia, despite assurances by the US negotiator, Assistant Secretary of State Christopher R. Hill, who assured the North Koreans it would eventually be released to North Korea. The North Korean delegate refused to take part in the six-party talks until the transfer of the fund. Chinese Deputy Foreign Minister Wu Dawei had organized the negotiations based on US assurances that the banking issue had been resolved and had argued that diplomacy, rather than sanctions, would be more effective in dealing with North Korea. Thus, President Bush committed the U.S. to extend diplomatic relations with the DPRK, lift its trade embargo, and provide economic assistance if North Korea abided by the six-party agreement and abandoned the nuclear development program. North Korea provided more than 18,800 pages of documents to the US negotiator Christopher Hill as proof of extracting plutonium from the Yongbyon nuclear plant.

The New China News Agency (NCNA) reported on February 13, 2007, that the six-party talks in Beijing had ended with a joint document on the first step toward the denuclearization of the Korean Peninsula. In this document, the Democratic People's Republic of Korea would shut down and seal the Yongbyon nuclear facility, including the reprocessing facility and invite back IAEA personnel to conduct all necessary monitoring and verifications. The US President also issued a statement saying, "I am pleased with the agreements reached today [February 13, 2007] at the six-party talks in Beijing. These talks represent the best opportunity to use diplomacy to address North Korea's nuclear programs. They reflect the common commitment of the participants to a Korean Peninsula that is free of nuclear weapons. In September 2005, our nations agreed on a Joint Statement that charted the way forward toward

achieving a nuclear weapons free peninsula. Today's announcement represents the first step toward implementing that agreement."<sup>16</sup>

According to the agreement, North Korea would denuclearize the Korean Peninsula and accept monitoring and verification by the International Atomic Energy Agency within a given timeframe. In return, North Korea would receive an initial 50,000 tons of heavy fuel oil or equivalent of economic and humanitarian aid. The DPRK would subsequently undertake measures to irreversibly "disable" its nuclear programs and receive 950,000 tons of fuel oil, or the equivalent in the form of economic or humanitarian aid, from China, the United States, the Republic of Korea and Russia. The joint agreement outlining the initial actions the DPRK would take to end its nuclear program and the economic rewards North Korea would receive in return was reached after five days of hard negotiations. All six parties also agreed to take coordinated steps to implement the Joint Statement of September 19, 2005, a step-by-step process in accordance with the principle of "action for action." However, the Japanese government declined to meet its obligation to assist North Korea economically and US negotiator, Christopher Hill sought an alternate source of support in Australia.

As we have seen in the discussion of the six-party talks, the Northern triangle is not as solid as it used to be during the Cold War. However, China and Russia seemed to agree more with North Korea on the issues of nuclear development, and they are both interested in the denuclearization of the Korean Peninsula. It was during Boris Yeltsin's term in the 1990s that the Soviet system was transformed into the Commonwealth of Independent States (CIS) and the Russian Federation was willing to accept a weakening in its relations with North Korea in order to establish diplomatic relations with South Korea. Mikhail Gorbachev ended the Cold War while Boris Yeltsin brought about the dissolution of the USSR system of government and weakened the triangular relations between Russia, China and North Korea. In contrast, Russian President Vladimir Putin restored the relations of the Northern Triangle.

The inauguration of the Bush administration in January 2001 and the charging of North Korea a one axis of evil brought about the second North Korean nuclear crisis in the US foreign policy. The first nuclear crisis of 1993-1994, caused by North Korean withdrawal from the NPT (Non-Proliferation Treaty), was resolved peacefully with the adoption of the 1994 Agreed Framework during the Clinton administration. To resolve the second North Korean nuclear crisis of 2003 China played an intermediary, if not the dominant, role in the US-North Korea conflict by calling for and chairing the six-party talks in Beijing in August 2003.

The talks were the primary diplomatic forum for addressing North Korea's nuclear proliferation policies, and China played more than an intermediary role as the talks progressed. Indeed, China has been a dominant force behind creating and sustaining the talks.

It took four rounds of the talks in Beijing before Pyongyang and Washington agreed to adopt the Joint Statement on September 19, 2005, which reaffirmed the goal of the six-party talks as the verifiable denuclearization of the Korean Peninsula in a peaceful manner. North Korea promised to give up its nuclear weapons and programs. In exchange, other parties expressed their willingness to provide oil, energy aid and security guarantees. The September 19 Agreement stated that, North Korea could have a nuclear energy program in the matter of course if it met the strict safeguards.<sup>17</sup>

The fifth round of talks convened in Beijing on November 9, 2005, but did not make any progress. However, North Korea later protested the US freezing its \$25 million funds, deposited at the Banco Delta Asia in Macau. The US government charged the North Koreans with money laundering and counterfeiting. The US released the fund after a series of negotiations in 2007. However, sanctions aimed at ending North Korean money laundering, illicit financing activities, and weapons proliferation continue in effect, as well as sanctions that prohibited US companies from owning, leasing, operating or insuring North Korean-flagged shipping vessels, and from registering vessels in North Korea. Therefore, it is difficult to figure out what sort of restrictions have actually been lifted.

The fifth round of the six-party talks convened in Beijing in December 2006, and at its third session on February 13, 2007, adopted the Action Plan. By the terms of the February 13 Joint Statement, North Korea agreed that, within 60 days, it would “shut down and seal for the purpose of eventual abandonment of the Yongbyon nuclear facility,” where it had manufactured and reprocessed plutonium for use in nuclear weapons. In exchange, the five parties including the United States, agreed to provide North Korea with up to one million tons of fuel oil and other economic and humanitarian assistance, and Japan and the United States pledged to move toward normalizing relations with North Korea. The action plan also announced the establishment of five working groups tasked with discussing and formulating “specific plans for the implementation of the September 19 Joint Statement.”<sup>18</sup>

When the second nuclear crisis on the Korean Peninsula started in October 2002, South Korea and the United States had expected Chinese efforts to moderate and influence North Korea. China thus took the initiative to bring North Korea to the six-party talks and hosted them for

six years in Beijing. China played an important role in persuading North Korea to accept the Agreed Framework, the September 19 Joint Statement, and the February 13, 2007 Action Plan (or Joint Declaration). China was vital to the convening and sustaining the talks. It also hosted in April 2003 the original trilateral meetings between the United States, North Korea and China, playing an important role in initiating a denuclearization process that led to the six-party talks. China has continued to lean on North Korea to continue attending the sessions and thus China has served as the key diplomatic facilitator of the six-party talks. When the talks have bogged down, Chinese diplomatic leadership has been crucial to overcoming impediments. China persuaded Pyongyang to attend five formal rounds of negotiations during which many preparatory or working group sessions were convened, despite its usual practice of avoiding such forums. The success of the six-party talks is a credit to Chinese diplomacy.

### **China's Two Koreas Policy:**

North Korea continued to rely on economic and military support from China even after China's normalization of diplomatic relations with South Korea in 1992. China sent its armed forces under the flag of Chinese Volunteers Forces to counter United Nations forces when North Korea was at the verge of collapse during the Korean War in 1950. Ever since its intervention in the Korean War, China has consistently supported North Korea with its UN veto power against any attempt at international sanctions by the Western powers. When North Korea withdrew from the Nonproliferation Treaty in March 1993, the United Nations Security Council attempted to pass a resolution to sanction North Korea. However, China used its veto power to prevent the action. Therefore, North Korea continues to rely on China for security and economic support. Thus, the alliance between China and North Korea, sealed in blood during the Korean War continues.

Kim Jong Il's visits to China began in May 2000 and took place again in January 2001, April 2004, and January 2006. When Kim visited China in early 2000, he formulated and implemented the North Korean reform policy and visited China a month prior to his summit meeting with South Korean President Kim Dae Jung in June 2000. Apparently, he concluded that the Chinese had achieved great success through reform and its open door policy following his inspection of a Chinese information technology complex. North Korea thus reached an agreement with South Korean conglomerate Hyundai to open the Kaesung Industrial Complex, which is a joint export-oriented venture. Following his inspection tour in China which included the stock



exchanges and financial and commercial complexes in the Pudong area of Shanghai, Kim Jong Il lauded the dramatic changes in China as “shaking up in heaven and earth.” After his visit to China, Kim began to pursue a more pragmatic line and announcing a mode of “new thinking.” The Economic Improvement Policy of July 1, 2002, and the establishment of a Special Administrative Area in Shinuichu in September 2002, and the Kaesung Industrial Complex Law are good examples of North Korea’s attempt to follow the Chinese model of reform.<sup>19</sup>

When Kim Jong Il visited China in April 2004 he inspected a high tech complex in Shandong Province while Prime Minister Park Bong Ju surveyed the model village “Hanchunhe.” Following this visit, North Korea restructured its External Economic Cooperation Committee (EECC), placing it under the direct jurisdiction of the prime minister. North Korea also announced it would return to the third round of six-party talks to discuss the nuclear issues in June 2004. North Korea thus began following economic reform based on the Chinese model. However, it acquired nuclear and missile technology from Russia.

In previous scholarly work, I have focused on the Chinese security interest during the Cold War era, during the period of détente and normalization of foreign relations, however, the focus was shifted to economic interests. After the normalization of diplomatic relations between China and South Korea in 1992, the flows of investment, exports, students, tourists, and business people from South Korea to China increased greatly, and the trend has continued during the past decade and a half. Several top Chinese leaders visited South Korea while South Korean presidents including Kim Young-sam, Kim Dae-jung, Roh Moo-hyun as well as the newly-inaugurated President Lee Myung-Back visited Beijing as recently as August 2008. In his first overseas trip after hosting the 2008 Beijing Olympic Games, Chinese President Hu Jintao met with his South Korean counterpart Lee Myung-back in Seoul on August 25, 2008, to map out the details of their plan to upgrade bilateral relations.

It was Hu’s second visit to South Korea as president, following his first visit in November 2005. The summit meeting with President Lee is their third meeting since Lee took office in February 2008. They met briefly in Beijing on August 9, 2008, as Lee traveled to China for the opening ceremony of the 2008 Olympic Games. Hu and Lee had their first summit in Beijing in May 2008 and announced their agreement to upgrade South Korean and Chinese relations to a “strategic cooperative partnership.” What constitutes a “strategic cooperative partnership” is important aspect diplomatic relations but it took only sixteen years to

reach such a close diplomatic relationship. The question of how China's "strategic cooperative partnership" with South Korea would affect China's relations with North Korea needs to be analyzed and understood in the context of two Koreas' relations. Thus, China's equal-distant policy toward the two Koreas is the new mode of Chinese foreign policy under the leadership of Hu Jintao.

## Conclusion

Historically, China had a strong commitment to the Democratic People's Republic of Korea for its security. Sino-North Korean relations has been characterized as "lips to teeth" or "sealed in the fresh blood" following the Korean War as we have discussed in this article. We have discussed extensively the role of China along with the two Koreas in the six-party talks to denuclearize North Korea. During those talks China expressed its national interest as resting on a nuclear free Korean peninsula. It is also China's interest that North Korea and South Korea achieve reunification by peaceful means. However, China continues to hold long range views on the Korean peninsula as the reunification with Taiwan is not eminent.

Sino-South Korean relations have been transformed into a "strategic cooperative partnership" under the Lee Myung-Back government in Seoul. In the event of war between North and South Korea, or if South Korea attempted to reunify the two Koreas, how would China respond to such a critical national security issues? Would China send in its troops to rescue North Korea from the collapse or stand by to see the reunification of two Koreas under one regime? The leaders of China and two Koreas must convene summit meetings to discuss the future relations but also to map out China's role in the unification of two Koreas.

## Notes:

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<sup>1</sup> For the background of North Korea's relations with China, see Ilpyong J. Kim, *Historical Dictionary of North Korea*. Lanham, Maryland and Oxford: The Scarecrow Press, 2003. pp. 17-20

<sup>2</sup> For Sino-South Korean Normalization of Diplomatic Relations, see Ilpyong J. Kim, "The Normalization of Chinese-South Korean Diplomatic Relations," *Korea and World Affairs: A Quarterly Review*, Vol. XVI, No. 3 (Fall 1992), pp. 483-492.

<sup>3</sup> For the Soviet role in North Korean nuclear development, see Vladimir D. Andrianov, "Economic Aspects of the North Korean Nuclear Program," in James Clay Moltz and Alexander Y. Mansourov, eds., *The North Korean*

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*Nuclear Program: Security, Strategy, and New Perspectives from Russia* (London: Routledge: 2000), p.47.

<sup>4</sup> Ibid.

<sup>5</sup> For the Agreed Framework and Joint Declaration as well as the Reference Materials, see the DPRK Briefing Book of the NAUTILUS INSTITUTE at <http://www.nautilus.org/DPRKBriefingBook/agreedFramework/index.html>

<sup>6</sup> Ibid.

<sup>7</sup> For the North Korean Nuclear Situation: History of the “Agreed Framework” and how it was broken, see “About.com.US Government Info.” <http://usgovinfo.about.com/library/weekly/aankorea.htm>

<sup>8</sup> For KEDO Background & Developments, see Center for Nonproliferation Studies, Inventory of International Nonproliferation Organizations and Regimes, 2002. DPRK Briefing Book, Nautilus Institute. <http://www.nautilus.org/DPRKBriefingBook/agreedFramework/index.html>

<sup>9</sup> Ibid.

<sup>10</sup> Ibid.

<sup>11</sup> For the history of the Six-Party Talks, see “Six-Party Talks on North Korean Issues: Overview and Evaluation. The Ministry of Foreign Affairs of Japan, [http://www.mofa.go.jp/region/aia-paci/n\\_korea/6party0308.html](http://www.mofa.go.jp/region/aia-paci/n_korea/6party0308.html)

<sup>12</sup> Ibid.

<sup>13</sup> Ibid. See the history of the Six-Party Talks and also see Christopher J. Le Mon, “Six-Party Talks Produce Action Plan on North Korean Nuclear Disarmament,” *American Society of International Law (ASIL Insight)*, March 6, 2007. 1-2. Joint Statement of the Fourth Round of the Six Party Talks,” September 19, 2005. be found in the online network of the U.S. Department of State at <http://www.state.gov/r/pa/prs/ps/2005/53490.htm>

<sup>14</sup> For the Russian role in the Six-Party Talks, see Hiroshi Kimura, “Putin’s Policy toward the Korean Peninsula: Why Has Russia Been Losing Its Influence?” A paper presented to a conference sponsored by the Silk Road Studies Program, Central Asia-Caucasus Institute, Johns Hopkins University and Uppsala University, December 16-17, 2005.

<sup>15</sup> For Kim Jong Il’s visit to China, see Ilpyong J. Kim, *Historical Dictionary of North Korea*. 17-19.

<sup>16</sup> *New York Times*, February 14, 2007.

<sup>17</sup> For the "Joint Statement of the Fourth Round of the Six-Party Talks," see September 19, 2005, <http://www.state.gov/r/pa/prs/ps/2005/53490.htm>. Also see *China Daily*, September 19, 2005.

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<sup>18</sup> Ibid.

<sup>19</sup> Ilpyong J. Kim, "Reform in North Korea," in *Reform and Transformation in Communist Systems*. Kim, Ilpyong J. and Jane Shapiro Zacek, Coeditors. New York: Paragon House Publishers, 1991. 293-309. Also see Brad Glosserman, "Fallout from Pyongyang," *Far Eastern Economic Review*, 168, no. 9 (2005): 43