November 6, 1993

TO: The Secretary

FROM: P - Mr. Tarnoff
       T - Dr. Davis

SUBJECT: North Korea: Options for Next Steps

Following yesterday's staff meeting, we have given further thought to the North Korea issue and have identified a number of options. With a meeting of the Deputies or Principals Committee likely next week, we'd appreciate the opportunity to discuss next steps with you.

Current status:

Our conditions for a third U.S.-DPRK round (and for suspending Team Spirit '94) have not been met.

- The North rejects the IAEA's inspection request. It is prepared to accept minimal "maintenance" visits at a few facilities, but IAEA Director Blix insists on the full range of inspections to declared sites required by the NPT.

- The DPRK and ROK have not agreed on modalities for an exchange of envoys. Although the North used the pretext of tough remarks by the ROK Defense Minister to cancel a November 4 meeting, the South feels agreement should be possible any time the DPRK is ready to move on inspections.

Confidence in the "continuity of safeguards" is degrading. With the film and batteries in the surveillance equipment having run out, the IAEA is essentially blind. Until recently, we could say with confidence that the North was not producing more plutonium. As time passes, at least the theoretical possibility will exist of the North taking fuel rods out of the reactor and reprocessing them without detection.

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If the IAEA were given sufficient access soon, it could do things (e.g., inspect fuel rods) to establish that no diversion had occurred during the blinded period. But without early and sufficient access, the credibility of safeguards continuity would be irretrievably lost. There is no date certain when this would occur. Loss of confidence is a question of degree. Clearly, however, assertions of safeguards continuity will ring hollow by the end of the year (even if we judge the probability of DPRK diversion to be small).

Meanwhile, our Asian friends and domestic critics pull us in different directions.

- The ROK and Japan know that sanctions may be inevitable. But they want to give more time to diplomacy, and believe the DPRK will respond better to carrots than sticks. Japan says it needs two months to assure a coalition consensus on sanctions. China continues to advise dialogue and patience.

- Krauthammer's op-ed piece is typical of the "get tough" line of our critics. While we have indeed been flexible on some conditions (e.g., we now require only that the North and South agree on modalities of an envoy exchange, not hold substantive talks on the nuclear issue), the critics' characterization of our concessions is distorted. (Our readiness to suspend Team Spirit is symbolic in light of our decision not even to budget for the exercise this year. Our readiness to help the North convert to proliferation-resistant light water reactors is contingent on resolving the nuclear issue and, in any event, is in our own nonproliferation interest.) Still, no matter how justified the carrots we've offered, we will increasingly be accused of weakness the longer the stalemate drags on.
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