

dialogue on the future of the Korean peninsula. The Clinton Administration endorsed this policy, and in its last months Secretary of State Albright visited Pyongyang.

The Bush Administration that came into office in 2001 was skeptical about North Korea, and when ROK President Kim Dae Jung came to Washington early in that year, President Bush declined to endorse the "Sunshine Policy." Tension mounted on October 17 2002 when Assistant Secretary of State James Kelly announced that North Korea confirmed that it had a clandestine nuclear enrichment program. This was a violation of North Korea's commitments under the Agreed Framework and led the U.S. to cut off the supply of fuel oil to North Korea. North Korea then abandoned the Framework and resumed the separation of plutonium from spent nuclear fuel, increasing the potential material for nuclear weapons.

With the breakdown of the Agreed Framework, there was a need to find a mechanism to address to the North Korean nuclear issue and the reduction of North-South tensions. This led to the creation of Six-Party Talks among China, the U.S., Japan, the ROK, Russia, and the DPRK, with China playing a leadership role. The Six-Party Talks, which began in August 2003, focused on finding an arrangement that would result in the elimination of the North Korea's nuclear weapons programs which would open the door for Pyongyang to receive political and economic benefits. There have been five rounds since the initial session, the last in November 2005.

The fourth round of the Six-Party Talks was held in Beijing, China from July 26 to August 7 and from September 13 to 19, 2005 and a "Joint Statement of Principles" was issued on September 19th, 2005. The joint statement was described as the most important result since the inception of the six-party talks on August 27, 2003 by Chinese Vice Minister Wu Dawei and also as a "win-win situation" and "a good agreement for all of us" by US Assistance Secretary of State Christopher Hill. These interpretations may now seem exaggerated – given that since September little progress has been made. In fact, North Korea now refuses to participate in the talks because of what Pyongyang characterizes as "Washington's continued hostile policy," a reference to the U.S. efforts to counter the DPRK's illegal counterfeiting and drug trafficking activities. Nevertheless, the Statement of Principles represents the foundation of what could eventu-

ally develop into an agreement to end the North Korean nuclear program. The document lists four agreed principles: 1) Denuclearization of the Korean peninsula with recognition of North Korea's right for the peaceful use of nuclear energy and its return to the Nuclear Non-Proliferation Treaty; 2) Normalization of relationships between North Korea the US, and Japan; 3) Economic cooperation with North Korea in the areas of energy, trade and investment; 4) International cooperation for lasting peace and stability in Northeast Asia.



Participants shake hands after adopting the "Joint Statement of Principles" at the fourth round of the Six-Party Talks. (9/19/2005)
Source: Mainichi Newspaper

A fifth round took place in November 2005, with the participants agreeing to a "commitment for commitment, action for action" principle. The meeting ended with no date set for future meetings. The prospect for resumption were further clouded by the strong North Korean reaction to the U.S. announcement that it will ban transactions between U.S. financial institutions and Banco Delta Asia based in Macao, which is allegedly linked to North Korean money laundering. This triggered a run on the bank and led the Macao government to freeze bank accounts tied