

# THE NORTH KOREAN NUCLEAR CHALLENGE: IS THERE A WAY FORWARD?

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## JOINT HEARING BEFORE THE SUBCOMMITTEE ON ASIA AND THE PACIFIC AND THE SUBCOMMITTEE ON INTERNATIONAL TERRORISM AND NONPROLIFERATION OF THE COMMITTEE ON INTERNATIONAL RELATIONS HOUSE OF REPRESENTATIVES ONE HUNDRED NINTH CONGRESS FIRST SESSION

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## **THE NORTH KOREAN NUCLEAR CHALLENGE: IS THERE A WAY FORWARD?**

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**THURSDAY, FEBRUARY 17, 2005**

HOUSE OF REPRESENTATIVES,  
SUBCOMMITTEE ON ASIA AND THE PACIFIC, AND  
SUBCOMMITTEE ON INTERNATIONAL TERRORISM  
AND NONPROLIFERATION,  
COMMITTEE ON INTERNATIONAL RELATIONS,  
*Washington, DC.*

The Subcommittee met, pursuant to notice, at 10:09 a.m. in room 2172, Rayburn House Office Building, Hon. James A. Leach (Chairman of the Subcommittee) presiding.

Mr. LEACH. The Committee will come to order. On behalf of the Committee, I would like to welcome our distinguished witnesses to the first hearing of the Subcommittee of Asia and the Pacific in this Congress.

I am especially pleased we are holding the Subcommittee hearing jointly with Chairman Ed Royce and his colleagues in the Subcommittee on International Terrorism and Nonproliferation.

Chairman Royce will be here in a minute. We both have an awkward situation that there is another Committee we are both on which is meeting with Chairman Greenspan at the same time.

In any regard, at the outset I would like to express my appreciation to our panel for agreeing on short notice to appear before us this morning. In particular, I would like to extend a word of thanks, or perhaps commiseration, to Mr. Cossa in Honolulu for getting up well before dawn in order to contribute to our discussion.

A housekeeping note is in order. As my colleagues are aware, Secretary Rice is scheduled to appear before the Committee later this afternoon. In addition, at least one of our witnesses is under some time constraints and must leave before noon.

In order to expedite our proceedings today, I therefore intend to keep my opening rather brief.

There are few parallels in history in which the United States has found itself with a less appealing menu of options than with North Korea.

Pyongyang's ongoing nuclear program and the potential export of weapons of mass destruction have profound implications for regional stability, the international nonproliferation regime, United States leadership in Asia and the Pacific, and even terrorist threats to the American homeland.

As we all understand, the North Koreans have lit a firecracker with the foreign ministry statement last week that Pyongyang will

increase its nuclear weapons arsenal and indefinitely suspend its participation in the multilateral Six-Party Talks. It is difficult and usually presumptuous to apply motives to others. A possibility exists that North Korea's intentions are entirely negative and the provocative rhetoric may be followed by provocative actions. On the other hand, the possibility also exists that this is classic North Korean saber-rattling to alter what they regard as unfavorable diplomatic dynamics, to increase their leverage, and to seek additional economic incentives prior to returning to the negotiating table. Indeed, the last sentence of the announcement which stated that there is no change in the North's stance of resolving the issue through dialogue and negotiations with the ultimate goal of denuclearizing the Korean Peninsula suggests that the announcement may well be a negotiating ploy and therefore may provide grounds for cautious optimism.

The judgment call of the day on the Korean Peninsula is a question of time: Whose side is it on? With each passing month, North Korea increases its nuclear weapons capacities. As a consequence, the odds may have increased that Pyongyang could export nuclear weapons or fissile material to foreign governments, shadowy middlemen or even terrorists. On the other hand, the history of the 20th century has shown that governments which lack democratic legitimacy and fail to give their people the opportunity for a decent life are vulnerable to rapid internal implosion. Military might is simply no substitute for societal attention to human concerns.

In this setting, the only prudent approach is to maintain wariness and concomitant preparedness, while seeking to de-escalate tension. Given our lack of credible options, there is no alternative to attentive engagement.

The Six-Party Talks, as currently configured, are a reasonable way to proceed, but there is nothing theological about process approaches. Reasonable questions must be raised whether additional approaches might also be considered.

In this context, the Subcommittee has a number of questions for our panelists, including: Is the United States' strategy for dealing with North Korea consistent and viable? Given the lack of substantive progress to date in the Six-Party process and the importance of U.S. diplomatic engagement to alliance management, is it time to think out of the box about creative ways to demonstrate a concomitant or a commitment to peacefully resolving the nuclear issue?

Should our hard diplomacy be fine tuned to include any softer cultural elements? For example, despite the abhorrent nature of the DPRK regime, should the United States explore the feasibility of expanding people-to-people and other technical exchanges with elements of North Korean society?

In many regards, North Korea today politically resembles Stalinless Russia. It is therefore interesting by analogy to note the importance during Eisenhower's term of certain nonpolitical exchanges, such as Khrushchev's visit to an Iowa farm. And, bizarrely, ping-pong diplomacy played a role in leading to the normalization of relations with China.



Cultural exchanges involve no political content, but at the people-to-people level they betoken the prospect of mutual respect and therefore, are at times of more than slight consequence.

Hence the question whether artist or professional exchanges in fields such as medicine or agriculture are in order. Would it not be wise for the United States to proffer such options, including the possibility of North Korean leadership visits to the west coast or heartland?

These are some of the kinds of questions the panel might address. We look forward to your testimony and the discussion to follow.

At this point, if it is all right with Chairman Royce, why don't I turn to Andy or would you like to go next?

Mr. Faleomavaega.

[The prepared statement of Mr. Leach follows:]

PREPARED STATEMENT OF THE HONORABLE JAMES A. LEACH, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF IOWA, AND CHAIRMAN, SUBCOMMITTEE ON ASIA AND THE PACIFIC

On behalf of the Committee, I would like to welcome our distinguished witnesses to the first hearing of the Subcommittee on Asia and the Pacific for the 109th Congress. I am especially pleased that we are holding this hearing jointly with Chairman Ed Royce and his colleagues on the Subcommittee on International Terrorism and Nonproliferation.

At the outset, I would like to express my appreciation to our panel for agreeing on short notice to appear before us this morning. In particular, I would like to extend a word of thanks, or perhaps commiseration, to Mr. Cossa in Honolulu for getting up well before dawn in order to contribute to our discussion of this critical national security issue.

A housekeeping note is also in order. As my colleagues are aware, Secretary of State Rice is scheduled to appear before the Committee in open testimony later this afternoon. In addition, at least one of our witnesses is under some time constraints and must leave before noon. In order to expedite our proceedings today I therefore intend to keep my opening statement brief.

There are few parallels in history in which the U.S. has found itself with a less appealing menu of options than with North Korea. Pyongyang's ongoing nuclear program and the potential export of weapons of mass destruction have profound implications for regional stability, the international nonproliferation regime, United States leadership in Asia and the Pacific, and even terrorist threats to the American homeland.

As we all understand, the North Koreans have lit a firecracker with the Foreign Ministry statement last week that Pyongyang will increase its "nuclear weapons arsenal" and indefinitely suspend its participation in the multilateral six-party talks. It is difficult and usually presumptuous to apply motives to others. A possibility exists that North Korea's intentions are entirely negative and that provocative rhetoric may be followed by provocative actions. On the other hand, a possibility also exists that this is classic North Korean saber rattling to alter what they regard as unfavorable diplomatic dynamics, to increase their leverage, and to seek additional economic "incentives" prior to returning to the negotiating table. Indeed, the last sentence of the announcement, which stated that there is no change in the North's "stance of resolving the issue through dialogue and negotiations" with the "ultimate goal of denuclearizing the Korean peninsula," suggests that the announcement may well be a negotiating ploy and therefore may provide grounds for cautious optimism.

The judgment call of the day on the Korean Peninsula is the question of time. Whose side is it on? With each passing month, North Korea increases its nuclear weapons capacities. As a consequence, the odds may have increased that Pyongyang could export nuclear weapons or fissile material to foreign governments, shadowy middlemen, or even terrorists. On the other hand, the history of the 20th century has shown that governments which lack democratic legitimacy and fail to give their people the opportunity for a decent life are vulnerable to rapid internal implosion. Military might is simply no substitute for societal attention to human concerns.

In this setting the only prudent approach is to maintain wariness and concomitant preparedness while seeking to de-escalate tension. Given our lack of credible options, there is no alternative to attentive engagement.

The six-party talks as currently configured are a reasonable way to proceed, but there is nothing theological about process approaches. Reasonable questions must be raised whether additional approaches might also be considered. In this context, the Subcommittee has a number of questions for our panelists, including:

- Is United States strategy for dealing with North Korea consistent and viable?
- Given the lack of substantive progress to date in the six-party process and the importance of U.S. diplomatic engagement to alliance management, is it time to think “out of the box” about creative ways to demonstrate a commitment to peacefully resolving the nuclear issue?
- Should our “hard” diplomacy be fine-tuned to include any “softer” cultural elements?
- For example, despite the abhorrent nature of the DPRK regime, should the United States explore the feasibility of expanding people-to-people and other technical exchanges with elements of North Korean society?
- In many regards North Korea today politically resembles Stalinist Russia. It is therefore interesting, by analogy, to note the importance during Eisenhower’s term of certain non-political exchanges, such as Khrushchev’s visit to an Iowa farm. And, bizarrely, ping-pong diplomacy played a role in leading to the normalization of relations with China.
- Cultural exchanges involve no political content, but at the people-to-people level they betoken the prospect of mutual respect and therefore are at times of more than slight consequence.
- Hence the question of whether artist or professional exchanges in fields such as medicine or agriculture are in order. Would it not be wise for the U.S. to proffer such options, including the possibility, particularly if progress in the six-party context is made, of North Korean leadership visits to the West coast or heartland?

These are some of the kinds of questions the panel might address. We look forward to your testimony and the discussion to follow.

Mr. FALEOMAVAEGA. Thank you, Mr. Chairman. I also would like to thank Chairman Royce and your being able to put this hearing together this morning.

I also would like to personally welcome our distinguished witnesses who will be giving us their sense of expertise on this very important issue of North Korea.

Mr. Chairman, on the 10th of this month, the North Korean foreign ministry issued a statement in which Pyongyang announced that he would increase his nuclear weapons arsenal and suspend its participation in the Six-Party Talks on North Korea’s nuclear weapons program.

North Korea claims its stance is in response to comments made recently by Secretary of State Rice, during her confirmation hearings of which she referenced North Korea as, and I quote, “an outpost of tyranny.”

North Korea interpreted these remarks to mean that the United States, “cannot find one single word on coexistence with us and Pyongyang upped the ante as a result.” Somewhat of a similar vintage when President Bush described North Korea as one of the three axis of evil.

The reaction by the Six-Party participants has been low key. However, the United States intelligence community estimates that North Korea has possessed enough weapons grade plutonium for one and possibly two nuclear weapons since the early 1990s.

In fact, the United States intelligence community believes that North Korea has enough weapons grade plutonium for about six to eight nuclear weapons.

North Korea has been operating a reactor at Yongbyon since late February 2003, which has produced or can produce enough plutonium for about one bomb per year.

North Korea has also two larger nuclear reactors that were under construction, but frozen under the 1994 Agreed Framework within President Clinton's Administration. If completed, these reactors would provide enough plutonium for about 37 to 50 nuclear bombs per year.

This said, Mr. Chairman, the situation with North Korea, I humbly submit, is very serious. The Six-Party Talks were established to energize the regional players most affected and to apply collective pressure and offer collective solutions.

Nevertheless, North Korea continues to escalate its challenges and in June 2004, the United States tabled an extensive proposal, which includes, as a first step, commitment from North Korea to dismantle all of its nuclear weapons.

In return, South Korea and Japan would supply North Korea with heavy fuel oil and the United States would be prepared to discuss lifting remaining economic sanctions against North Korea. The Six-Party participants would also begin a study of North Korea's energy needs.

In short, Mr. Chairman, North Korea would receive a more enduring security guarantee, as well as a lasting non-nuclear solution to its energy needs.

In light of North Korea's recent announcement that it was suspending participation in the Six-Party Talks the Administration has emphasized, the June 2004 proposal remains on the table.

But is a diplomatic solution still possible? Should the United States engage in direct talks with North Korea? And under what conditions will countries in the region consider more coercive alternatives?

In a yesterday's *New York Times* article, it is quoted under Secretary of State Robert Zoellick's views suggesting that here again North Korea is just saber rattling and just bluffing and not much to depend in terms of all the rhetoric that we have heard recently from North Korea.

That being said, I don't know if this means a major shift in our foreign policy with a statement from Mr. Zoellick, but these are the questions that must be answered, and I certainly welcome our witnesses and look forward to their comments and especially I want to welcome Mr. Cossa—it is about 4:30 or 5 o'clock in the morning right now in Honolulu—for his being able to listen in to our hearing this morning and certainly look forward to hearing his comments about the issue that we are discussing this morning.

Thank you, Mr. Chairman.

Mr. LEACH. Thank you.

Chairman Royce.

Mr. ROYCE. Thank you. I want to thank you, Chairman Leach, for conducting this joint Subcommittee hearing. In past Congresses, Chairman Leach and I have worked closely together on Korean issues, and I look forward to continuing that work in my new role

as Chairman of the Subcommittee on International Terrorism and Nonproliferation.

Some of us in Congress were skeptical about the 1994 Agreed Framework, which only seemed to strengthen the hand of North Korea. North Korea's announcement last week that it would counter what it called United States' "hostile policy" by increasing its nuclear weapons arsenal and suspending its participation in the Six-Party Talks is just the latest in Pyongyang's well-established pattern of deceit.

I have also been skeptical of policies designed to bolster the North Korean economy, the so-called Sunshine Policies.

Since 2000, I have chaired the U.S. Republic of Korea Inter-parliamentary Exchange, which is an ongoing series of meetings between members of the Korean National Assembly and the U.S. House of Representatives.

A large part of our discussions in Korea have focused on Korean Peninsula security. The policy of investing in North Korea, proping up the Kim Jong Il regime, promises little but its continued disdain and continued noncooperation of that regime. I wish advocates of this policy in Northeast Asia showed greater concern for the plight of the North Korean people.

Instead, many would prefer to ignore the brutality in the North, including the camps that torture and work several hundred thousand North Koreans to death every year. Thankfully, last year Congress passed and President Bush signed into law the North Korean Human Rights Act, authored by Chairman Leach. I was an original coauthor of that.

Ignoring the human rights condition in North Korea gives us a false picture of the regime which we are confronting. The United States must employ a broad approach to nonproliferation policy, using all the tools at its disposal.

While treaties and talks are important, new and effective efforts, like the Proliferation Security Initiative, should be advanced.

The Illicit Activities Initiative, aimed at curbing North Korean exports of drugs, counterfeit currency, and other contraband, must be vigorous because this is the main infusion of cash for the regime that supports its WMD activities.

Radio broadcasting must be employed in the same way as it was in Eastern Europe in order to crack Kim Jong Il's monopoly on information.

The human rights agenda must be pushed. All of these tools make for a broadened and more effective nonproliferation policy. Lastly, I will note that 2 years after withdrawing from the Nonproliferation Treaty, no action has been taken against North Korea.

We should work with like-minded countries to challenge this step. Anything less erodes the NPT, which has been the cornerstone of nonproliferation policy and it emboldens others like Iran to follow suit.

Thank you again, Chairman Leach, for holding this hearing jointly with our Committee.

Mr. LEACH. Thank you very much, Mr. Royce.

Does anyone else wish to make an opening statement?

Yes, Mr. Sherman?

Mr. SHERMAN. Mr. Chairman, sorry I am late. We have got Greenspan in the Committee on Financial Services, almost as illustrious as the panel before us here.

Obviously a nuclear North Korea is very dangerous. The Administration appears to be immobilized between those who have a messianic view that we must concur, or a regime change in North Korea, because it is a bad government and I wish that it was that easy.

There is another group that believes in real politic, that believes that the safety of the people of America ought to be our highest priority and that eliminating North Korea's nuclear weapons program verifiably, permanently, with total inspection would make America much safer.

I clearly want to identify with the second camp, in that destabilizing North Korea is not sure to be possible, but if it were possible, you might end up with Yugoslavia with nukes.

What we have is an Administration, though, that time and time again is willing to put corporate interests first. In order to deal with the weapons of mass destruction threat posed by Saddam Hussein, we have lost 1,200 of our finest, but the weapons of mass destruction program of Iraq was tiny and of almost no significance compared to the nuclear and missile programs of North Korea.

In order to deal with North Korea, we have to inconvenience American corporations and international corporations. We have to tell China that they must play with us, work with us and even act in a way that is not in their immediate short-term interests, in order to compel North Korea to abandon its nuclear program.

That means we would have to say that maybe the next load of tennis shoes isn't coming into the United States. That would inconvenience the corporation, and inconveniencing corporations is something this Administration is not willing to do simply to protect Americans from a nuclear weapons program.

This is shameful, in light of their willingness to send 1,200 of our finest in order to stop a much smaller threat.

We can bring enormous pressure on North Korea if we are willing to pressure China. We can also offer North Korea the carrot they have been asking for and that is a nonaggressive pact.

That would, of course, offend the messianic wing of this Administration. We have to do that as well. Maximum carrots, maximum sticks and vicarious sticks if necessary. That is to say, pressuring China to pressure North Korea.

The other approach is what we followed for the last 4 years: Immobilization and unwillingness to do anything and an announcement of great success every time there is a hint, usually false, that the North Korean's are willing to lie to us around a six-sided table, instead of a two-sided table.

I am tired of telling my constituents that nuclear weapons are available to be smuggled across the border inside a bale of marijuana and destroy our city and that we are not doing anything about it, except some day we may get them back to a six-sided table and they should go to sleep soundly knowing that that possibility exists.

The unwillingness of this Administration to inconvenience perhaps the corporate sector and psychologically inconvenience its

messianic wing has led to this possibility of a nuclear weapon being smuggled into your city or into mine and it is particularly shameful in light of the losses that we have suffered to deal with a much smaller threat.

I yield back.

Mr. LEACH. Thank you.

Does anyone else on this side wish to make an opening statement?

Mr. Burton.

Mr. BURTON. I have one I would like to submit for the record.

Mr. LEACH. Without objection, so ordered.

[The prepared statement of Mr. Burton follows:]

PREPARED STATEMENT OF THE HONORABLE DAN BURTON, A REPRESENTATIVE IN  
CONGRESS FROM THE STATE OF INDIANA

Mr. Chairmen, Kim Jong Il is attempting to blackmail his neighbors by withdrawing from the Six-Party Talks indefinitely and playing the nuclear card. In recent weeks we have learned that North Korea sold uranium hexafluoride—which can be used to enrich uranium for nuclear weapons—to Libya in 2001. Last week North Korea announced that it had “manufactured nukes,” and that these weapons would be kept “for self-defense under any circumstances.” In the past North Korea has made repeated claims that its nuclear arsenal is purely defensive. That was clearly not true.

Now more than ever we need to have five parties talking to North Korea: South Korea, Japan, Russia, China, and the United States. President Bush has argued that we need to have five voices talking to Kim Jong Il because if Kim breaks commitments to one party, he is not only doing injustice to America, but the other parties as well. I support the determination that President Bush has made that it would be a mistake to open up a separate, bilateral dialogue between the United States and North Korea. Staying unified in a five-nation coalition is the most effective way to send a clear message to Kim Jong Il.

The bilateral approach taken by President Clinton between 1993 and 2000 did not bring about desirable results. Kim Jong Il failed to honor agreements signed with the Clinton Administration and with South Korea. We learned this in October 2002, when North Korea admitted it was conducting a major clandestine nuclear weapons program in violation of the 1994 Agreed Framework. We were reminded of Kim Jong Il’s ambitions in January 2003 when Pyongyang served notice of its intention to withdraw from the Nuclear Non-Proliferation Treaty. The following month, it declared it had reactivated its Yongbyon reactor.

What we are watching unfold on the Korean Peninsula now is familiar brinksmanship between a paranoid tyrant and the outside world. This threatens to escalate tensions with the North to a dangerous new level. Pyongyang’s statement last week referred to The “Bush Doctrine” calls for the use of pre-emptive force to prevent an imminent attack on the United States, but President Bush has made it clear on several occasions that he wants a peaceful, negotiated settlement on the Korean Peninsula and has no intention of initiating the use of force against North Korea.

Mr. Chairman, complete, irreversible, verifiable dismantlement of the North’s nuclear arsenal and weapons program must remain non-negotiable. I believe the framework of the Six-Party Talks is the way to proceed. More active involvement of China, one of the few countries to have any influence over the North, is essential. The longer there is no progress on talks, the more time North Korea has to add to its nuclear arsenal. Thank you.

Mr. LEACH. Mr. Blumenauer, did you want to make an opening statement?

Mr. BLUMENAUER. Thank you, Mr. Chairman. I do appreciate the opportunity for us to spend some time reflecting on the North Korean situation.

I heard my friend from California refer to his problems with the approach of the Clinton Administration, which I think they would admit was the best of a series of unpalatable alternatives, but it

is not clear at all that the approach of this Administration has been any more effective at all.

We have no inspectors. We have more hostility. They are still dealing with terrorists. I find great irony that all of the justifications that were mustered to deal with an attack against Iraq were even stronger against North Korea.

North Korea has, in all probability, weapons of mass destruction. They were dealing with terrorists. Where Saddam Hussein had gassed and killed thousands of his people, this Korean Government has deliberately starved 2 million of their people, slave labor, the things that have been referenced here before, and it wasn't lost on the North Koreans that these justifications are there.

Now we are stretched very thin, \$300 billion later in Iraq. Our troops are frayed. If hostilities were to break out on the Korean Peninsula, we would be hard pressed. And if it were to involve nuclear weapons, it would be troubling indeed.

But I must confess that this is an area where I welcome the discussion. It is not clear to me at this point what better alternatives there are. I look forward to hearing from our witnesses.

I do think, however, that the solution of engagement that has been pursued by the South Koreans, the Sunshine Policy, is not something that I think we should be dismissing.

I think it shows great courage on the part of some of their officials and I think ultimately some variation of that has to be a part of an ultimate solution that brings North Korea back from the abyss to which they have reached.

Mr. CHABOT. Mr. Chairman?

Mr. LEACH. Thank you very much.

Yes, of course.

Mr. CHABOT. Mr. Chairman, I hadn't planned on making an opening statement. I will be very brief, but in light of some of the things that I have heard from some of my friends across the aisle, I just want to say very briefly that much of the blame is now being heaped upon the Bush Administration for the difficulties that we see ourselves face with respect to North Korea, and I think it is very important to keep in mind that the previous Administration and the agreement that they reached, I think, is one of the principle reasons that we find ourselves in this dilemma.

I think when Jimmy Carter has gone over there, just as he has gone in many other parts of the world to try to make things better, it has ultimately resulted in making them one heck of a lot worse than they were before he got there.

I was at the demilitarized zone awhile back and talked with an awful lot of high-ranking officials, both Americans and South Koreans, and I oftentimes hear this comparison of our action in Iraq and Afghanistan and a so-called lack of reaction to what is perceived as a greater threat in North Korea.

I think one thing one has to take into consideration is that North Korea has thousands of artillery pieces in the mountains, within about 30 miles of Seoul, South Korea, which could essentially, within a matter of a couple of days, kill hundreds of thousands, possibly millions of people and lay Seoul in ruins.

That is a factor that we have to take into consideration. That is a very serious situation. I think the Administration, whereas not

perfect in the way they have handled this, has handled it with great care and with considerable attention.

I do agree with one of the things that my friend Mr. Sherman mentioned with respect to pressuring China. I think that is one thing that we need to do a lot more of, because they are the key to this and we absolutely have to have their cooperation, because they are the one country that can pressure North Korea and anything that we can do to put pressure, and if it does affect business here, then so be it.

I would be pleased to discuss that particular aspect of his statement with him and work and cooperate and perhaps move forward on that particular issue. Thank you.

Let me just say one other thing. I think the President was absolutely right in naming the so-called "Axis of Evil," just as Ronald Reagan was correct in calling the former Soviet Union the "Evil Empire," and we are seeing that right now.

I would say perhaps we might want to add Syria to that list. I yield back the balance of my time.

Mr. LEACH. Thank you very much.

Let me now turn to our witnesses and I will briefly introduce them by their background and then ask them to speak.

First, Ralph A. Cossa is President of the Pacific Forum CSIS in Honolulu. He is the Senior Editor of the Pacific Forum's quarterly electronic journal, *Comparative Connections*. Mr. Cossa has served in the United States Air Force from 1966 to 1993.

Dr. Nicholas Eberstadt is a Henry Wendt Scholar in Political Economy at the American Enterprise Institute. He has written extensively on Korea, East Asia, and countries of the former Soviet Union. He has numerous degrees from Harvard as well as the London School of Economics.

Robert Sutter has been Visiting Professor in the School of Foreign Service at Georgetown. He specializes in Asian and Pacific affairs in U.S. foreign policy. He has written a number of books and has worked—and we are very proud of this—for the Library of Congress, the United States. He has a Ph.D. from Harvard.

John Wolfsthal is Associate and Deputy Director for Non-proliferation at the Carnegie Endowment for International Peace. Prior to his position at the Carnegie Endowment, Mr. Wolfsthal worked at the U.S. Department of Energy. He is co-author of *Deadly Arsenal: Tracking Weapons of Mass Destruction*.

We are honored that this panel has agreed to assemble and I thought we would first give deference to our most distant scholar, and we would like now to turn to Mr. Cossa.

Can you hear us well, Mr. Cossa? You are welcome to proceed.

#### **STATEMENT OF MR. RALPH COSSA, PRESIDENT, PACIFIC FORUM CSIS**

Mr. COSSA. Mr. Chairman, Members of the Committee, it is a great pleasure for me to participate in this session.

To answer the Committee's key question, I think yes, there is a way forward, but only if the other five members of the Six-Party process can come up with a common position and jointly pressure North Korea to come back to the table.



I would also add that while it is easy and appropriate to find fault with both the Bush and the Clinton Administrations' previous approaches, we need to keep in mind that the real problem of course is North Korea's behavior and policies and not our own.

One thing that the Bush Administration has done correctly is to insist on a multilateral approach and solution. This is the only realistic way to proceed.

This does not preclude bilateral dealings with Washington and Pyongyang, between them and along the sidelines of the—I am sorry. I am getting a lot of feedback. Am I coming through clearly?

Mr. LEACH. You are being heard quite fine, sir.

Mr. COSSA. Okay. Thank you. I will proceed.

I think that there is nothing to preclude bilateral dealings between Washington and Pyongyang, along the sidelines of the Six-Party Talks, but addressing the problem has to be a regional and not a bilateral approach.

Seoul was consulted closely during the 1994 Agreed Framework process, one which I, in fact, supported as the best deal we could get at the time, but nonetheless felt insulted that it did not have a seat at the table.

President Clinton was right in 1996 when he promised that in the future the United States would not enter into any agreement with North Korea dealing with peace on the peninsula, unless Seoul was present, and the Bush Administration has wisely stuck by this policy.

Likewise, Tokyo deserves to be present since Japan falls under the shadow of Pyongyang's missiles, and we need to ensure that Tokyo's legitimate security concerns are addressed.

China's continued role is obvious as an honest broker, facilitator and interlocutor and while Russia brings considerably less to the table, Moscow's good insights into North Korea can be helpful and, along with Beijing, it is necessary to underwrite future security guarantees.

I think it is essential to continue a multilateral approach and to make it clear to Pyongyang that we will not cut a separate deal outside the Six-Party process.

Mr. Chairman, the challenge before us today can be simply stated. By its actions, North Korea is telling us that it believes that there are more benefits to be gained by staying away from the talks and from pursuing a nuclear weapons program, or at least in leading us to believe that it is pursuing such a program, than there are consequences.

The pluses outweigh the minuses in their strategic calculation. Our challenge is to convince them that pursuing nuclear weapons makes them less, rather than more secure.

If survival is North Korea's ultimate objective, then we must convince the North that continuing down its currently chosen path—regardless of whether this is being done for tactical or strategic reasons, to acquire bargaining chips, or as an insurance policy—is hazardous to the regime's health.

Pyongyang has to believe that the potential consequences, not just military but economic and political, outweigh the perceived benefits. And the U.S. cannot do this alone.

Our primary instrument of persuasion is military. This has only limited utility. Many have argued that if the United States was not so overextended in Iraq and Afghanistan, Pyongyang might be more responsive and they are probably right, but we are overextended and even if we were not, marching on Pyongyang is not a realistic option.

The Administration has been right in stressing that regime change is not the goal. Individuals who infer otherwise, I believe, make diplomacy more difficult.

Let me add as an aside that private diplomatic efforts, regardless of how well intended, normally do more harm than good.

Publicly announcing that Pyongyang expected President Bush to include conciliatory statements in his State of the Union address helped to ensure that this would not happen. Leading Pyongyang to believe that it might create unhelpful illusions and more importantly provided a vehicle for subsequently blaming Washington for the continued stalemate, and this serves to further negate our political leverage.

One final word on our military leverage. Note that I said the military option had "limited" utility, not "no" utility. Part of the way forward, as has been mentioned by other Members, is to continue to expand the proliferation security initiative to ensure that whatever nuclear capability that may exist in North Korea stays in North Korea.

While publicly pronouncing red lines is probably counterproductive, one hopes that Pyongyang understands that exploiting nuclear weapons or fissile material will result in serious consequences.

This message needs to be delivered most clearly by Beijing and by Moscow. Washington's political and economic leverage is limited. We do possess important positive incentives, but are right not to offer these prematurely.

At the end of the day, we will likely wind up rewarding North Korea's bad behavior, but we should not be paying in advance.

Today we have little left to withhold so we must look to Beijing, Seoul, and others to waive their much more influential political and economic sticks.

I agree with those Members that have said that Beijing can and should do more. Its efforts to appear evenhanded are becoming increasingly counterproductive.

I believe the country with the greatest degree of unused leverage is South Korea. This is not only leverage over North Korea, but also leverage over China. Since the historic 2000 North/South Summit, North Korea has become increasingly dependent on Seoul. President Roh has consistently argued that the ROK would not tolerate nuclear weapons in the North, that Pyongyang could either go down the road to political and economic cooperation and reap those benefits, or it could choose to pursue nuclear weapons and face political and economic consequences.

It was not either/or. The North could not have it both ways, or at least that is what President Roh has claimed. If he is serious, I think at a minimum it is up to South Korea now to announce that it is temporarily suspending its participation, to use the North Korean phrase, in the economic assistance programs with North

Korea until Pyongyang provides a satisfactory explanation regarding its declared nuclear capabilities and intentions.

The next step would be for Beijing, ideally at Seoul's request, to call in an emergency plan or recession of the Six-Party Talks, inviting Pyongyang to attend, but making it clear that the meeting will occur regardless.

Mr. Chairman, North Korea has played an effective divide and conquer game throughout the nuclear standoff. If it receives conflicting signals in the face of this latest provocation, it will be encouraged to continue this tactic.

The time has come for the other five to finally speak with one voice to Pyongyang to hold it accountable for its words and actions, and it is time for South Korea to play a more assertive, constructive role.

Thank you, Mr. Chairman. I look forward to your questions.

[The prepared statement of Mr. Cossa follows:]

PREPARED STATEMENT OF MR. RALPH COSSA, PRESIDENT, PACIFIC FORUM CSIS

Chairman Leach, members of the subcommittee, colleagues:

It is a great pleasure for me to participate in this important session on the North Korean nuclear challenge. To answer the Committee's key question: Yes, there is "a way forward," but only if the other five members of the six-party process—the U.S., ROK, Japan, China, and Russia—can craft a common position and jointly pressure North Korea to stop playing its dangerous game of "divide and conquer" and finally come to the negotiating table.

Let me say at the onset that there are no simple or ready solutions to this crisis. In analyzing how we got to where we are today, there is also plenty of blame to go around—all the parties have made mistakes and followed paths or policies that have proven counterproductive. My remarks this morning will include some criticism of past actions by Washington, Seoul, Beijing, and others. It is easy, and appropriate, to find fault with both the Clinton and Bush administrations' approaches. But we cannot lose sight of the simple fact that the problem, at its core, lies in North Korea's behavior and policies, not our own. Had Pyongyang chosen to honor the Agreed Framework that it had negotiated with the Clinton Administration—an agreement that I have always supported, not as ideal but as the best deal we could have reasonably expected at the time and one that could have served the broader interests of peace on the Peninsula, had Pyongyang chosen to honor it—we would not be facing the challenges we are dealing with today. North Korean behavior lies at the root of the problem and we cannot lose sight of this fact, even as we second guess our own approaches to dealing with Pyongyang.

As we look toward the future, it is important not to overreact, but it is likewise important not to fail to react. I believe Secretary of State Condoleezza Rice's initial response to Pyongyang's surprise announcement that it was "suspending its participation" in the Six-Party Talks and that it had "manufactured nucs" was exactly right. As you will recall, she said: "I think we just have to first look at the statement and then we need to talk with our allies."

One thing that the Bush administration has done, and continues to do right, from the Oct 2002 onset of the current crisis until today, is to insist on a multilateral approach and solution; this is the only realistic way to proceed. This does not mean that there should not be bilateral dealings between Washington and Pyongyang along the sidelines of the Six-Party Talks—there should and, indeed, have been—but addressing the North Korean security challenge, in all its dimensions, is a regional, not just a bilateral problem.

While Seoul was closely consulted during the Agreed Framework process, South Koreans were nonetheless insulted that they did not have a seat at the table in 1994 when it was their lives, much more than American lives, that were directly under the gun. President Clinton was right, in 1996, when he pledged in Cheju-do that, in the future, the U.S. would not enter into any agreement with North Korea dealing with peace on the Peninsula that excluded the ROK. The Bush administration has wisely stuck by this policy and ROK President Roh Moo-hyun, since the day of his inauguration, has made it clear that South Korea wants to play—indeed, insists upon playing—a key role, as well it should. Frankly speaking, I have been disappointed with Seoul's performance while at the table. (I have laid out some of

the reasons why in a recent Pacific Forum PacNet article which I believe has been provided for the record, and upon which I will expand shortly.) But, I firmly believe that Seoul must be an equal partner in the process and must be an active participant in the deliberations.

Likewise, Tokyo deserves to be present, since Japan also falls under the shadow of Pyongyang's missiles and suspected nuclear (as well as conventional, chemical, and suspected biological) weapons. The good news over the past two years is that Washington and Tokyo have been virtually in lock-step on this and many other important security issues and we need to ensure that Tokyo's legitimate security concerns are addressed in crafting a final solution to the current crisis. Another lesson learned in 1994 was that, if we expect an ally to help foot the bill, they ought to also have a say in crafting the agreement. This provides added rationale for continuing to include Tokyo in the Talks.

China has played, and must continue to play, a constructive role as an honest broker, facilitator, and interlocutor with Pyongyang. While Beijing's leverage over Pyongyang is clearly less than absolute, China has more clout than it has chosen to use—or has used only selectively and too infrequently—in the past.

Frankly speaking, Russia brings considerably less to the table but can potentially play a constructive role, since Moscow has long had good access and good insights into North Korean thinking and behavior and can help to reinforce messages today and, along with Beijing, help underwrite security guarantees in the future.

So, I think it is essential as we try to figure out how best to proceed, that we continue with a multilateral approach and make it clear to Pyongyang, as the Bush administration has once again done, that there will not be a separate deal or a bilateral track outside of the Six-Party process. To do otherwise is to insult our Korean and Japanese allies and deny ourselves the leverage and potential security contributions that Beijing and Moscow are uniquely capable of providing if and when we ever craft a workable solution to the current stand-off.

Mr. Chairman, the challenge before us today can be simply stated. By its actions, North Korea is telling us quite clearly that it believes that there are more benefits to be gained from staying away from the talks and from pursuing a nuclear weapons program—or at least in leading us to believe that it is pursuing such a program—than there are consequences; the pluses outweigh the minuses, in their strategic calculus.

I understand why the Bush administration and especially South Korea have attempted to downplay Pyongyang's assertion that it has "manufactured nukes" as nothing new. Nonetheless, it would be wrong to disregard this latest pronouncement as mere rhetoric. Pyongyang has taken a significant step out of the nuclear closet. Those still in denial may argue that Pyongyang is bluffing; that there is no more reason to believe Pyongyang's claim of possessing nuclear weapons than there was to believe previous assertions that it did not have them. But it seems foolish, and foolhardy, to ignore the intended message, or to fail to hold Pyongyang accountable for its own actions and assertions.

The challenge for the other five members of the six-party process, individually and collectively, is to convince Pyongyang that pursuing nuclear weapons and boycotting the talks makes it *less* rather than *more* secure; that the potential consequences outweigh the perceived gains. If regime and national survival is North Korea's ultimate objective—and this is one of the few things that virtually all North Korea "experts" (a term I use advisedly) agree upon—then we must convince the North that continuing down its currently chosen path—regardless of whether this is being done for tactical or strategic reasons, to acquire bargaining chips, or as an insurance policy—is hazardous to the North Korean regime's health. Pyongyang has to believe that the potential consequences—not just military, but political and economic—outweigh the perceived benefits; this is the only way we can persuade Pyongyang to change its behavior and current course of action.

The U.S. cannot do this alone. Our primary instrument of persuasion is military and this has only limited utility. Many have argued that if the U.S. was not so overextended in Iraq and Afghanistan, Pyongyang might be more responsive . . . and they are probably right. But we are overextended and, even if we were not, marching on Pyongyang is not a realistic option, given the stakes involved.

Regime change à la Iraq is not an option under the current circumstances and the administration has been right in stressing that regime change is not the goal, as much as we would all like to see Kim Jong-il go away. Individuals, including some inside the administration and inside the Congress, who infer otherwise, make diplomacy more difficult. They also hurt Washington's credibility with allies such as South Korea, whose cooperation is essential to finding a peaceful solution to the problem.

Let me add as an aside that private diplomatic efforts, whether by academics, congressional delegations, or others, however well-intended, normally do more harm than good. Publicly announcing that Pyongyang expected President Bush to include conciliatory statements about North Korea in his State of the Union address helped ensure that this would not happen. Leading Pyongyang to believe that it might create unhelpful illusions and, more importantly, provided a vehicle for subsequently blaming Washington rather than Pyongyang for the continued stalemate. This serves to further negate our political leverage.

One final word regarding our military leverage: please note that I said that the military option had *limited*, as opposed to *no*, utility. Part of the “way forward,” in my view, is to continue to expand—and continually demonstrate the effectiveness of—the Proliferation Security Initiative and other multilateral military efforts to ensure that whatever nuclear capability that may exist in North Korea stays in North Korea. This includes implementing, if not strengthening international protocols such as UNSC Resolution 1540. While publicly pronouncing “red lines” is probably counterproductive, one would hope that the other five participants have made it clear to Pyongyang, individually if not collectively, that exporting nuclear weapons or fissile material will result in serious consequences to include, at a minimum, UNSC-approved international sanctions. If not, they certainly should. This message needs to be delivered most clearly by Beijing and Moscow since they have thus far kept the North Korea nuclear crisis off the UNSC agenda.

As another aside, let me say that it is beyond my comprehension why the Bush administration has been so non-supportive of IAEA Director General Dr. Mohamed ElBaradei—his comments regarding North Korea and regarding other non-proliferation efforts such as closing the current “loopholes” in the NPT have not only been right on the mark, they have been completely consistent with and supportive of Bush administration policies. We should be figuring out how to work more closely with him and take advantage of his credible voice on this issue, rather than trying to block his renewal.

Washington’s political and economic leverage is also limited. We do possess important positive incentives or rewards but are right not to offer these prematurely (even if we could be more forthcoming in indicating what they might be). At the end of the day, administration assertions notwithstanding, we will likely wind up rewarding North Korea’s bad behavior . . . but we should not be paying in advance. Today, we have little left to withhold, so we must look to Beijing, Seoul, and the others to wave their much more influential political and economic sticks.

Most eyes have shifted toward Beijing, which has acted as an “honest broker” for the six-way dialogue. The PRC has continually urged patience while openly questioning Washington’s assertions about Pyongyang’s nuclear capabilities and intentions. While Beijing continues to argue that it has no control over its erstwhile neighbor, its political and economic leverage over Pyongyang clearly exceeds Washington’s. Beijing can and should do more. Its efforts to appear “even-handed,” while perhaps understandable from a Chinese point of view, are becoming increasingly counterproductive. I would argue that since last June, and certainly since Pyongyang’s Feb 11 nuclear pronouncement, Chinese calls for “both sides to be flexible” increasingly miss the point. The diplomatic prowess of President Hu Jintao and China’s “fourth generation” leadership will now be put to its most severe test.

But, as I argued in my submitted article, the country with the greatest degree of largely unused and untested leverage over North Korea is not the U.S. or China, but South Korea. To give credit where credit is due, this is largely a result of former President Kim Dae-jung’s “Sunshine Policy” of economic engagement with the North (maintained through the current administration’s “Policy of Peace and Prosperity”). Since the historic 2000 North-South summit, North Korea has become increasingly dependent on Seoul economically, while its (increasingly tentative) political acceptability internationally also has its roots in Seoul’s continued encouragement to others to likewise engage the North.

(I should add that Seoul also has considerable leverage with Beijing, which understands that in the long run, it is Seoul, not Pyongyang, that will prevail on the Peninsula. As a result, Beijing has been more responsive to Seoul’s needs and requests than to Washington’s. Conversely, Washington needs to avoid reinforcing the view—that already exists among many in South Korea—that Beijing is the solution and that Washington is part of the problem; this hardly serves America’s long-term strategic interest on the Peninsula.)

President Roh has consistently argued, since his inauguration, that the ROK “would not tolerate” nuclear weapons in the North. Pyongyang, Roh asserted, could either go down the path of political and economic cooperation with the South and reap the considerable rewards inherent in this choice or it could choose to pursue nuclear weapons and face political and economic isolation from Seoul and the rest

of the international community. It was an “either-or” choice; North Korea could not have it both ways . . . or can it? However else you choose to interpret the North’s latest statement, it clearly is calling Seoul’s hand on this issue.

If President Roh is serious about not tolerating a nuclear North Korea, at an absolute minimum he should immediately announce that South Korea is temporarily “suspending its participation” in all economic cooperation and assistance programs with North Korea, including in their joint development zone, until Pyongyang provides a satisfactory explanation to Seoul, and to the other dialogue partners, regarding its declared nuclear capabilities and intentions. Others (especially in Washington and Tokyo) are likely to call for more drastic measures, including immediate economic sanctions against the North, but this could be a step too far (at least initially). It also puts others in the driver’s seat that President Roh has long aspired to occupy. The other six-party participants should support this action and announce that they are taking (or at least considering) similar steps. But the measure will be most meaningful (and can only truly be effective) if it is initiated by Seoul.

The next step would be for Beijing, ideally at Seoul’s request, to call an emergency plenary session of the six-party talks, inviting Pyongyang to attend and provide further explanation of its current stance, but making it clear that the meeting will proceed regardless of whether or not the North participates.

North Korea has effectively played a “divide and conquer” game throughout the nuclear stand-off. If it receives conflicting signals from Washington, Seoul, Beijing, Tokyo, and Moscow in the face of this latest provocation, it will be encouraged to continue this tactic. The time has come for the other five finally to begin speaking with one voice to Pyongyang, to hold it accountable for its own words and actions. It’s also time for Seoul, along with Beijing, to play a more assertive, constructive role.

If this problem cannot be handled within the six-party context, then the only alternatives are collective action through the United Nations Security Council—the desired alternative but one that Beijing, Seoul, and Moscow previously believed to be “premature”—or unilateral actions that will likely only make matters worse.

*Ralph A. Cossa is president of the Pacific Forum CSIS [pacforum@hawaii.rr.com], a Honolulu-based non-profit research institute affiliated with the Center for Strategic and International Studies in Washington and senior editor of Comparative Connections, a quarterly electronic journal [www.csis.org/pacfor]. The opinions expressed are exclusively his own.*

Mr. LEACH. Thank you, Mr. Cossa.  
Dr. Eberstadt.

**STATEMENT OF NICHOLAS EBERSTADT, PH.D., HENRY WENDT  
SCHOLAR IN POLITICAL ECONOMY, AMERICAN ENTERPRISE  
INSTITUTE**

Mr. EBERSTADT. Mr. Chairman, Members of Congress, it is always an honor to be invited to the International Relations Committee and it is a pleasure to be here today.

The most surprising part of last week’s momentous development with North Korea, I think, was that North Korea’s bold move was so widely regarded as genuinely unexpected, both in Washington and abroad.

The North Korean Government did not opt to join the world’s nuclear weapons club suddenly on a bizarre and inexplicable whim. To the contrary, last week’s announcement represents the entirely predictable culmination of decades of steady, deliberate effort and careful, methodical progress on a multifaceted program of weapons of mass destruction, a program that includes work not only on nuclear weapons, but also on chemical weapons, biological weapons, and long-range ballistic missiles.

The WMD program is propelled not by irrational impulses, but rather by a carefully considered strategy, a strategy so deeply wedded to purposes of state that it can be described as integrally fused into the very logic of the North Korean system.

That strategy and the logic that undergirds it may be intuitively unfamiliar to those of us with a modern globalization sensibility, but unless and until we appreciate the thinking that animates North Korea's WMD quest, we will face the prospect of ever more unpleasant and expensive surprises from Pyongyang.

In a very real sense, the DPRK is a state unlike any other state on the face of the earth. It is a political construct, specially and particularly built for three intertwined purposes: To conduct a war, to settle a historic grievance, and to fulfill a grand ideological vision.

That vision is the reunification of the now divided Korean Peninsula under the unfettered independent socialist rule of the Pyongyang regime. In other words, unconditional annexation of the present day South Korea and liquidation of the Government of the ROK.

The grievance is the failure of the famous 1950 surprise attack against South Korea, an assault that might well have unified all of Korea on Pyongyang's terms, but for America's unexpected military intervention.

In that telling, only America's continuing support has permitted an otherwise rotten, unstable and utterly irredeemable ROK Government to survive since 1950.

Although we are sometimes inattentive to it, the historical fact is that the Korean Wars' battles were only halted through a ceasefire agreement. There has never been a peace treaty bringing the hostilities to a formal and conclusive end.

The Korean War is, from the DPRK's standpoint, an ongoing war. The North Korean leadership is committed to an eventual, unconditional victory in that war, however long it may take, however much it may cost.

Despite the ingenuity and bravery of North Korea's army, officers, and soldiers, its forces cannot hope to prevail over the combined U.S.-ROK alliance that awaits them on the other side of the DMZ.

Thus, the neutralization and effective removal of the United States and the United States alliance system from the Korean equation remains utterly essential from Pyongyang's perspective.

That objective, however, cannot be achieved by the DPRK's conventional capabilities. To deter, coerce and punish the United States, the DPRK must possess nuclear weaponry and ballistic missiles capable of delivering these into the heart of the American enemy.

This central strategic fact explains why North Korea has been assiduously pursuing its nuclear development and missiles program for over 30 years, at terrible expense to its people's livelihood and despite all adverse repercussions to its international relations.

Several important implications flow from the DPRK's conception of and strategy for its WMD program. First, continuing and escalating international tensions are not accidental and unwelcome side effects of the program. They are instead central to its purpose.

Second, WMD threats and especially nuclear and missile threats have already been used by North Korea with great success, as an instrument for extracting international extortion payments from the United States and its allies and as a lever for forcing the

United States to engage Pyongyang diplomatically on Pyongyang's own terms.

The greatest potential dividends for North Korea in nuclear and ballistic diplomacy, however, still lie in store and that brings us to a third point.

For half a century and more, U.S. security policy has been charged with imposing deterrence upon Pyongyang. Shouldn't we expect that Pyongyang has also been thinking about how to deter the U.S. over those same long decades?

Nuclear weapons and especially long-range nuclear missiles might well answer the deterrence question for the North Korean State, as former Secretary of Defense William Perry incisively recognized.

Faced with the risk of nuclear attack on the United States mainland, he warned, Washington might hesitate in a time of crisis on the Korean Peninsula, but if Washington's security commitment to the ROK were not credible in a crisis, the military alliance would be hollow, vulnerable to collapse under the weight of its own internal contradictions.

North Korea's WMD program in short may be the regime's best hope for achieving its long cherished objectives of breaking the U.S.-ROK military alliance and forcing United States troops out of the Korean Peninsula.

Fourth, those who hope for a win-win solution to the North Korean nuclear impasse must recognize the plain fact that Pyongyang has never engaged in win-win bargaining. Pyongyang believes in win-lose solutions, preferring outcomes that entail not only DPRK victories, but also face-losing setbacks for its opponents. From the DPRK's perspective, win-win solutions are not only impractical, they are immoral.

Finally, those who believe that a peaceful and voluntary denuclearization of the DPRK is still possible through yet further rounds of international conference diplomacy or through some future negotiating breakthrough must be ready to consider what such an outcome would look like from North Korea today. That is to say: From the standpoint of the real existing North Korean Government, not some imaginary DPRK we would rather be talking to.

No matter how large the payoff package, no matter how broad and comprehensive the attendant international formula for recognition and security, the Western desideratum of CVID (complete verifiable, irreversible denuclearization), would irrevocably consign North Korea to a world in which it is the metrics of peaceful competition that matter and thus irrevocably to a role in international affairs for the DPRK more in consonance with the size of its GNP. No North Korean leader is likely to regard such a proposal as a bargain.

The unsettling thrust of this analysis, if it is correct, is not just that North Korea's leadership today may positively prefer a strategy that augments WMD capabilities, it may also positively fear a strategy that does anything less.

To conclude, the task now before us is to make the world safe from North Korea. Kim Jong Il, by contrast, is doing his best to make the world safe for North Korea.



Making the world safe from North Korea promises to be a difficult, expensive and dangerous undertaking for America and our allies. However, the costs and dangers of making the world safe for North Korea stand to be incalculably higher. Thank you.

[The prepared statement of Dr. Eberstadt follows:]

PREPARED STATEMENT OF NICHOLAS EBERSTADT, PH.D., HENRY WENDT SCHOLAR IN  
POLITICAL ECONOMY, AMERICAN ENTERPRISE INSTITUTE

Last week's declaration by the Democratic People's Republic of Korea (DPRK, aka North Korea) that Pyongyang possessed nuclear weapons, and would hold on to its nuclear arsenal "under any circumstances", was greeted with shock and astonishment around the world. The most surprising part of last week's momentous development, however, was that North Korea's bold move was so widely regarded as genuinely unexpected, both in Washington and abroad.

The North Korean government did not opt to join the world's nuclear weapons club suddenly, on a bizarre and inexplicable whim. To the contrary: last week's announcement represents the entirely predictable culmination of decades of steady, deliberate effort and careful, methodical progress on a multifaceted program of weapons of mass destruction (WMD)—a program that includes work not only on nuclear weapons, but also on chemical weapons, biological weapons, and ballistic missiles.

This WMD program is propelled not by irrational impulses, but rather by a carefully considered strategy—a strategy so deeply wedded to purposes of state that can be described as integrally fused into the very logic of the North Korean system.<sup>1</sup> That strategy, and the logic that undergirds it, may be intuitively unfamiliar to those of us with modern, "globalization era" sensibilities. But unless and until we appreciate we appreciate the thinking that animates North Korea's WMD quest, we will face the prospect of ever more unpleasant and expensive surprises from Pyongyang.

In a very real sense, the DPRK is a state unlike any other on the face of the earth today. It is a political construct specially and particularly built for three entwined purposes: to conduct a war, to settle a historical grievance, and to fulfill a grand ideological vision.

That *vision* is the reunification of the now-divided Korean peninsula under the unfettered "independent, socialist" rule of the Pyongyang regime—in other words, unconditional annexation of present-day South Korea and liquidation of the government of the Republic of Korea (ROK) so that Kim Jong Il & Co. might exercise total command over the entire Korean race (*minjok* in Korean).

If that vision sounds preposterous and utterly impracticable to us, please understand that it looks very different from Pyongyang. North Korean statecraft has been predicated on that very vision for over half a century. To this day, "Sunshine Policy" and all the rest notwithstanding, Pyongyang grants diplomatic status to only one "government mission" from Seoul: this being the legation of the so-called "South Korean National Democratic Front (SKNDF)", an invented resistance group supposedly based in the South, which regularly uses North Korean airwaves to denounce the Republic of Korea as an illegitimate colonial police state.

The *grievance* is the failure of the famous June 1950 surprise attack against South Korea—an assault that might well have unified all Korea on Pyongyang's terms but for America's unexpected military intervention in defense of the ROK. In Pyongyang's telling, it is only America's continuing and malign imperialistic support that has permitted an otherwise rotten, unstable and utterly irredeemable ROK government to survive since 1950 (and more recently, to take on the trappings of prosperity and democratization).

The total-mobilization war state that Pyongyang has painfully erected over the decades (at among other costs, the North Korean famine of the 1990s) is a response to this grievance, and an instrument for fulfilling this vision. And the *war* that North Korea has prepared for is not some future theoretical contingency. Quite the contrary: in the view of North Korean leaders, their country is at war today, here and now.

Although we ourselves are sometimes inattentive to it, the fact of the matter is that the Korean War's battles were only halted through a cease-fire agreement (the Armistice of 1953)—there has never been a peace treaty bringing the hostilities to

<sup>1</sup>Parts of this testimony draw upon the author's contributions to a recent study by the National Institute for Public Policy (NIPP) on the North Korean challenge to US missile defense. Thanks go to NIPP's Dr. Keith A. Payne and Amb. David J. Smith for supporting and encouraging my research in that effort.

a formal and conclusive end. The Korean War is, from the DPRK's standpoint, an *ongoing* war—and North Korea's leadership is committed to an eventual, unconditional victory in that war, however long that may take, however much that may cost.

Against all odds, North Korean leadership still attempts to support a vast conventional military force—long rehearsed for an anticipated reprise of June 1950—on a dysfunctional and failing Soviet-type economy. Despite the ingenuity and bravery of North Korean People's Army officers and soldiers, this force cannot hope to prevail over the combined ROK-US alliance that awaits them on the other side of the DMZ. Thus the neutralization, and effective removal, of the United States and the US alliance system from the Korean equation is utterly essential from Pyongyang's perspective.

That objective, however, cannot be achieved by the DPRK's conventional capabilities—today or in any foreseeable future. To deter, coerce, and punish the United States, the DPRK must possess nuclear weaponry and the ballistic missiles capable of delivering these into the heart of the American enemy. This central strategic fact explains why North Korea has been assiduously pursuing its nuclear development and missile development programs for over thirty years—at terrible expense to its people's livelihood, and despite all adverse repercussions on its international relations.

Although Pyongyang rails against “globalization” in other contexts, North Korea's own conception of the uses of WMD are fully “globalized”. Thanks largely (though not exclusively) to its short-range “SCUD”-style missiles and bio-chemical weapons, primarily targeted on South Korea, Pyongyang can always remind counterparts in the Blue House that the enormous metropolis of Seoul is a hostage to fate, to be destroyed at a moment on Kim Jong Il's say-so. Intermediate No “Dong type” missiles capable of striking Japan (and American bases in Japan) with nuclear warheads put Japanese political leaders on permanent warning of the possible costs of incurring North Korea's anger, and the potential dangers of siding with the United States in any time of Peninsular crisis. Finally, long-range missiles of the improved “Taepo Dong” variety may be capable of striking the United States mainland, now or in the relatively near future.<sup>2</sup>

Several important implications flow from the DPRK's conception of, and strategy for, its WMD program.

First, continuing and escalating international tensions are not the accidental and unwelcome side-effects of the program: they are instead its central purpose. Simply stated, the DPRK's growing WMD arsenal, and the threats it permits the North Korean regime to pose to other governments, are the key to the political and economic prizes Pyongyang intends to extract from an otherwise hostile and unwilling world.

Second, WMD threats—and especially nuclear and missile threats—have *already* been used by North Korea with great success: as an instrument for extracting *de facto* international extortion payments from the United States and its allies, and as a lever of forcing the United States to “engage” Pyongyang diplomatically, and on Pyongyang's own terms.<sup>3</sup>

The greatest potential dividends for North Korean nuclear and ballistic diplomacy, however, still lie in store—and this brings us to a third point. For half a century and more US security policy has been charged with imposing “deterrence” upon Pyongyang. Shouldn't we expect that Pyongyang has also been thinking about how to “deter” the US over those same long decades?

Nuclear weapons (especially long-range nuclear missiles) might well answer the “deterrence question” for the North Korean state, as former Secretary of Defense William J. Perry incisively recognized in his 1999 “Perry Process” report: faced with the risk of nuclear attack on the US mainland, he warned, Washington might hesitate at a time of crisis in the Korean peninsula. But if Washington's security com-

<sup>2</sup>There is no indication, incidentally, that North Korean decision-makers view WMD as “special weapons”, to be held in reserve—on the contrary, missiles and nuclear devices seem to figure integrally in North Korean official thinking and are *already* being used on a regular basis in North Korean statecraft, as the government's ongoing foray's in “blackmail diplomacy” attest. And despite Pyongyang's emphasis of race doctrine, there is no indication whatsoever that North Korean leadership would hesitate to use such weapons on *minjok*—race brothers—in South Korea. Pyongyang did not blink at starving perhaps one million of its *own* people for reasons of state in the 1990s. It regards the South Korean state as a cancerous monstrosity, and those who support it as corrupt and worthless national traitors.

<sup>3</sup>Despite the North Korean regime's seemingly freakish face to the world, North Korean leadership's capabilities for making subtle and skillful calculations is underscored by the bottom line in its negotiations with the United States government over the past decade. Between 1995 and 2004, by calculations of the Congressional Research Service, Pyongyang secured more than \$1 billion in foreign aid from the US—a state the DPRK regards as its prime international enemy.

mitment to the ROK were not credible in a crisis, the military alliance would be hollow: and vulnerable to collapse under the weight of its own internal contradictions. North Korea's WMD program, in short, may be the regime's best hope for achieving its long-cherished objectives of breaking the US-ROK military alliance, and forcing American troops out of the Korean peninsula.

Fourth, those who hope for a "win-win" solution to the North Korean nuclear impasse must recognize the plain fact that Pyongyang does not now engage in "win-win" bargaining, and never has. The historical record is completely clear: Pyongyang believes in "zero-sum" solutions, preferring outcomes that entail not only DPRK victories, but also face-losing setbacks for its opponents. From the DPRK's perspective, "win-win" solutions are not only impractical—they leave adversaries unnecessarily strong—but actually immoral.

Finally, those who believe that a peaceful and voluntary de-nuclearization of the DPRK is still possible through yet further rounds of international "conference diplomacy", or through some future "negotiating breakthrough", must be ready to consider what such an outcome would look from North Korea today—that is to say, from the standpoint of the real existing North Korean state, not some imaginary DPRK we'd rather be talking to.

No matter how large the pay-off package, no matter how broad and comprehensive the attendant international formula for recognition and security, the Western desideratum of "complete verifiable irreversible denuclearization" (CVID) would irrevocably consign North Korea to a world in which it is the metrics of peaceful international competition that matter—and thus irrevocably to a role in international affairs for the DPRK more in consonance with the size of its GNP. No North Korean leader is likely to mistake such a proposal for a bargain.

Even worse from Pyongyang's standpoint: a genuine agreement to denuclearize might well threaten to undermine the authority and legitimacy of the North Korean state. Since its founding in 1948, the DPRK has demanded terrible and continuing sacrifices from its population—but it has always justified these in the name of its historic vision for reunifying the Korean race. Today, however, forswearing its WMD options would be tantamount to forswearing the claim to unify the Korean peninsula on Pyongyang's own terms. Shorn of its legitimating vision, what then, exactly, would be the rationale for absolutist North Korean rule?

The unsettling thrust of this analysis is not just that North Korean leadership today may positively prefer a strategy that augments the government's WMD capabilities: it may also positively fear a strategy that does anything less.

To conclude: the task now before us is to make the world safe *from North Korea*. Kim Jong Il, by contrast, is doing his best to make the world safe *for North Korea*. Making the world safe *from* North Korea promises to be a difficult, expensive, and dangerous undertaking. For America and her allies, however, the costs and dangers of making the world safe *for* North Korea stand to be incalculably higher.

Mr. LEACH. Thank you very much, Dr. Eberstadt.

Before hearing from Dr. Sutter, I just want to make one very clear distinction. Sometimes when you read something it is different than the paper.

When you said the ROK Government, the South Korean Government, was irredeemable, you meant the North Korean view of the ROK Government.

Mr. EBERSTADT. Yes, sir.

Mr. LEACH. Not your own of course.

Mr. EBERSTADT. Absolutely. Yes.

Mr. LEACH. Dr. Sutter.

**STATEMENT OF ROBERT SUTTER, PH.D., PROFESSOR OF ASIAN STUDIES, SCHOOL OF FOREIGN SERVICE, GEORGETOWN UNIVERSITY**

Mr. SUTTER. Thank you very much, Mr. Chairman. It is a real pleasure to be here and speak with you about this issue.

I have submitted a statement for the record and I would encourage people with an interest to read that statement.

Mr. LEACH. Without objection, all the statements will be fully placed in the record.

Mr. SUTTER. Thank you, Mr. Chairman.

I want to make some points from that statement, particularly in light of some of the remarks that have been made up to this point.

I was asked to look at this problem from the point of view of the context of U.S. interest in the region. This is something that often gets lost when we consider dealing with this issue. Obviously the United States has tremendous national security concerns in dealing with North Korea. Obviously we are worried about proliferation to a considerable degree, but we need to keep in mind, too, that Asia is extremely important for the United States and how the United States manages this issue with North Korea will be a very important determinant as to how influential the United States is and is going to be in Asia.

This kind of emphasis, of course, leads you to the conclusion that Mr. Cossa raised, that you really have to do this in a regional context. You cannot try to do this by yourself. If you do, you run the risk of being isolated and your interest in Asia will suffer greatly.

So that is my main message today, that it needs to be kept in mind that the United States interests in Asia are extremely important for the United States and they have to be dealt with as well, along with these other very serious concerns that we are dealing with.

It is obvious that the North Korean announcement reflects a failure of United States policy, but it reflects a failure of the regional countries. They are all concerned about this too. So it is a collective failure.

I think the record shows that this is a long-term problem. We are in this for the long haul in dealing with this issue. It has developed over a long period of time and it is likely to continue.

In my statement, I underline how the North Korean regime has really belied a lot of predictions about North Korea being weak and collapsing and so forth. It has not done so.

The upshot of this situation is that we have a long-term difficulty in dealing with this and, again, this underlines the importance of the region. We have to have a cooperative relationship with the various countries in the region in order to deal with this over the long-term.

We will have great difficulty dealing with this by ourselves and so in this context, too, I would argue that it is very important that we keep our relationships with the countries in the region very much in our minds as we go forward.

In my statement, I go through and examine some of the options we have and, unfortunately, I come down on a position that there really aren't any good options at this point that would depart significantly from what we are doing at present.

If we move toward the bilateral talks with North Korea, there are real downsides to doing that. If we adopt a harder policy, military pressures, or unilateral pressures on our part, this too has major downsides for American interests in the area.

So what I argue is that we need to continue a consultative approach with our allies and with our associates in the region.

How much pressure we are able to bring to bear on South Korea, as Mr. Cossa suggests, on China, as several of the Members have suggested, this is a very difficult proposition. We should certainly

try it. We should certainly consider these kinds of options and pursue them, up to a point, but we have to keep together. We have to keep somewhat of a united front in dealing with this issue and develop a closer consultative approach as we move forward.

This is leading, it seems to me, toward containment, toward a constraint on North Korea's provocative options and this should be our goal, to contain this sort of thing with this kind of a construct, but in the process please keep in mind, at least in the back of your minds, that we need to maintain American leadership in Asia.

This is very important for the United States. Asia is a critically important area and it is very easy for the United States to lose its leading position in this area through some sort of unilateral or misguided approach that doesn't enjoy any support in the region.

This kind of approach, it seems to me, is not in the interest of the United States, as we follow this long-term approach in dealing with this long-term problem with a leadership in North Korea that is very difficult to predict, and hopefully we will be able to come up with mechanisms to at least constrain and contain this type of difficulty.

In conclusion, Mr. Chairman, my statement indicates that we need to follow a steady and incremental approach, leading toward a greater containment policy of North Korea. We need to strengthen proliferation curbs, such as seen in the PSI. We need to avoid unilateral actions that would isolate the United States from our important allies and associates in the region, and we need to recognize that we will need Asian cooperation to deal with this issue that will probably, almost certainly, not be settled quickly.

This is going to take a long time and so we will need a lot of support as we go forward in the years ahead. Thank you, Mr. Chairman.

[The prepared statement of Dr. Sutter follows:]

PREPARED STATEMENT OF ROBERT SUTTER, PH.D., PROFESSOR OF ASIAN STUDIES,  
SCHOOL OF FOREIGN SERVICE, GEORGETOWN UNIVERSITY

DEALING WITH NORTH KOREA FROM A POSITION OF STRENGTH—PRESERVING US  
LEADERSHIP IN ASIA<sup>1</sup>

#### *Abstract*

*This assessment acknowledges that North Korea's announced development of nuclear weapons highlights a continuing policy failure of the United States and concerned powers. However, an examination of the risks and likely negative consequences of alternative US policies shows the relative advantages of the US administration's current consultative approach with concerned powers in Asia in endeavoring over time to bring greater pressure to bear on North Korea and to contain North Korean provocative actions. The current US approach avoids abrupt or unilateral actions that could isolate the United States and reinforces US leadership in Asia, a critically important region for a wide range of US interests. It places the United States in a stronger position to deal with a wide range of challenges likely to come from the unpredictable but resilient North Korean regime in the years ahead.*

North Korea's announcement last week that it has nuclear weapons underlines a continuing failure of US policies and the efforts of American allies and associates in Asia to halt North Korea's efforts to build nuclear weapons. This failure is well known by those following reports over the past two years of North Korea's secret

<sup>1</sup>Testimony before the US Congress, House International Relations Committee, Subcommittee on Asian and Pacific Affairs, February 17, 2005 by Robert Sutter, School of Foreign Service, Georgetown University.

nuclear weapons development and North Korea's public repudiation of previous agreements against nuclear weapons development. In a sense, the North Korean announcement is not news but confirmation of a grim reality that officials in the United States and a wide range of concerned governments have been dealing with for some time.

There is grave concern in the United States and among US allies and associates in Asia that the North Korean leadership will follow its announcement with more provocative actions including a nuclear weapons test or the transfer of nuclear weapons materials and technology to terrorists. Media reports earlier this year said that the Bush administration has strong evidence that North Korea engaged in the past in the clandestine transfer of nuclear material to Libya that could have assisted in the development of a nuclear weapon.

How to prevent the North Korean leadership from taking the provocative actions noted above is subject to debate among specialists and officials of concerned governments. The task might be easier if the outside world had a reasonably reliable understanding of the motives of the North Korean leadership, but it doesn't. Even those in the US government with access to special information have to be cautious in predicting what the North Korean leader may do. Kim Jong Il is at the top of this leadership and has shown an ability to switch policies and reverse course seemingly unconstrained by domestic and international interests and concerns that limit the options and decision making of more conventional world leaders. Thus, those who tell us with seemingly authority that they know what Kim Jong Il "wants" and how US and international policies should change in order to meet those wants, are engaging at best in speculation, in my judgment.

#### *Reexamining US Policy Options*

US policy makers in the Bush administration and the Congress are considering changes in US policy following the North Korean announcement. Most of these changes appear to have serious negative consequences for US interests.

On one side are options advocated by some specialists that would see the United States go further in meeting North Korea's demand for bilateral talks on the nuclear issue, US security guarantees, and greater US aid. The Bush administration seems prepared to offer security guarantees and greater aid, but on condition that North Korea truly ends its nuclear weapons programs. The US government resists bilateral talks with North Korea. It appears concerned that without other foreign powers being involved in the talks, North Korea would manipulate the bilateral talks and thereby pressure the United States to provide assurances and aid but with no guarantee of North Korea's fully ending nuclear weapons development.

On the other side are specialists who argue for greater US pressure, with some seeking the use of military force against North Korea. The balance of military power along the Korean Demilitarized Zone gives North Korean forces the ability to kill hundreds of thousands of South Koreans along with thousands of Americans in an initial battle. This sobering reality and North Korea's possible possession of nuclear weapons head the list of factors arguing against US military attack against North Korea.

US efforts in the Proliferation Security Initiative to work with other concerned powers to build mechanisms to deal with North Korean and other international proliferation activities have garnered wide international support, though China and South Korea remain reluctant to participate. Japan is ready to cut aid and apply greater pressure against North Korea, but South Korea seems committed to a policy of asymmetrical normalization with North Korea involving extensive economic aid and exchanges beneficial to North Korea. China tends to back the South Korean position. At present, strong US efforts to pressure and isolate North Korea likely would be resisted by South Korea and China, and possibly Russia, Australia and the European Union.

Careful US consultation with China and North Korea's continued provocations over time have resulted in some change in China's approach toward North Korea. Beijing currently shows less willingness to defend North Korean actions and more willingness to use pressure as well as positive incentives in order to keep North Korea from undermining China's primary interest in preserving stability on the peninsula. Though China has opposed US suggestions to use the United Nations to exert greater pressure on North Korea and US suggestions to restrict aid to the North Korean regime, North Korea's continuing nuclear weapons development and provocative posturing appear to be wearing down Chinese opposition to such pressure on the North Korean regime. If China were to change its stance in favor of greater pressure against North Korea, South Korea would be more likely to follow, allowing for a more unified international front against North Korean provocations.

*Preserving US leadership for the Long Haul*

It is probably wise that US policy makers are resisting abrupt changes in policy in seeking a solution to the North Korean nuclear weapons development. The North Korean announcement does not fundamentally change the problems associated with the North Korean regime and its nuclear weapons development that are likely to be with us for some time. The North Korean regime has shown remarkable resiliency, belying predictions of regime collapse that were prevalent in the years after the death of Kim Il Sung in 1994. We can measure North Korean military power and economic performance to some degree, but our understanding of the political strengths and weaknesses of the North Korean regime is weak. Given the North Korean regime's resilience in the face of great adversity in the 1990s, it seems prudent to forecast its continuation for years to come.

As the United States seeks to deal with the problems associated with the North Korean regime, it needs not only US military strength and resolve, but the support of the concerned powers in Asia. The above review of US options shows that the United States cannot deal with the North Korean problems alone or in a position isolated from key Asian powers. If the United States hopes to contain North Korean proliferation activities and establish an international environment compelling greater moderation by the North Korean regime, it will need to exert positive leadership in Asia, eliciting the support and backing of the concerned Asian powers. Moreover, the United States will continue to have vital interests in the security, prosperity, and political orientations of Asia. How the US government deals with the North Korean issue will be an important determinant in whether the United States continues to play a leading role in this vibrant world area or is marginalized as other rising powers, notably China, move into positions of greater regional prominence.

Looking out, a number of authoritative commentators have expressed concern over a perceived decline in US leadership and influence in Asia on account of US preoccupations elsewhere, military assertiveness, and poor diplomacy, and a concurrent rise of Chinese influence.<sup>2</sup> They see US emphasis on geo-strategic issues, notably the war in Iraq and combating international terrorists, much less attractive to Asian governments and people than China's accommodating geo-economic emphasis. In fact, however, the actual decline of US influence relative to China or others seems relatively small amid continued evidence of US leadership in Asia.

Elite and public opinion in many Asian countries remains strongly critical of the US government, but Asian governments by and large have reacted pragmatically to US policies, seeking to keep relations with the United States on a good foundation. The United States is important for their economic development and the security environment in Asia. They remain wary of rising China and its possible ambitions, and see the United States as a needed counterweight. Even in South Korea, a country swept by anti-US sentiment and pro-China fever in recent years, government officials are clear eyed in assessing that continued good South Korean ties with the United States are essential in South Korea's ability to deal effectively with international powers, notably China.

One way to assess the perceived US decline relative to China is to compare the recent situation in Asia with past periods of US decline and rise of other powers. In the past few decades, there have been two notable periods of perceived or actual US decline in Asia. The first was the post Vietnam War period which saw a marked rise of Soviet military-backed expansion in Asia. The second was in the latter part of the 1980s when Japan seemed to dominate much of East Asia while the United States seemed unable to compete with Japan, even in the US domestic market. In both cases, the perceived US weaknesses turned out to be exaggerated as did the strengths of the newly rising powers. It is unclear if this third major episode of perceived US decline, along with China's rise, is subject to the same exaggeration and misinterpretation. What is clear to seasoned observers is that whatever decline has taken place in US power relative to China does not compare in scope or importance to the challenge to US power and influence in the 1970s and the late 1980s.

It seems logical to conclude that the impact of China's rising influence will add to recent challenges to the United States in Asia such as the North Korean nuclear crisis and disagreements over Iraq and the war on terrorism, to have the effect of weakening and diverting US leadership in the region. Nevertheless, such actual or potential challenges will remain balanced to a considerable degree by many continuing strengths and favorable trends in Asia for US policy and interests. US leaders have options to build on those strengths and favorable trends to insure US leadership in Asia relative to China or others for many years to come. The Bush admin-

<sup>2</sup> See notably, *America's Role in Asia: American Views*, and *America's Role in Asia: Asian Views*. San Francisco: The Asia Foundation, 2004

istration's response to the Tsunami disaster in December 2004 underlined the kinds of options the US can follow to secure its influence in Asia. The Bush administration's response to the North Korean nuclear weapons problem poses another opportunity for constructive efforts sustaining US leadership in Asia.

#### *US Strengths in Asia*

At a time of US preoccupation with Iraq and other priorities, the Bush administration has adjusted in generally pragmatic ways to unexpected Asian challenges, notably in the Korean peninsula—an area of much more salient concern than Iraq to most Asian governments. While it justified US pre-emption and unilateral action in other parts of the world, the Bush administration in practice has sought to deal with the North Korean crisis and other issues in Asia through broad international consultation and engagement that is welcomed by concerned Asian powers.<sup>3</sup> Of course, as is graphically illustrated by last week's North Korean announcement, North Korea's ongoing efforts to develop nuclear weapons continue. A North Korean nuclear weapons test or transfer of a weapon to a terrorist organization could precipitate sharper divisions between the United States and Asian powers or within the US government.

Several key strengths in US-Asian relations sustain US regional leadership.<sup>4</sup> Government leaders on both sides of the Pacific support the US security commitment and military presence in Asia. The global war on terrorism has strengthened US resolve to remain actively involved in regional security. The strong US military presence is generally welcomed by Asian government leaders. Chinese leaders have modified their past criticism of the US security role.<sup>5</sup>

Despite debate over the size and deployment of US forces in South Korea, the South Korean and US governments endeavor to manage the debate without jeopardizing strong mutual interests supported by a continued US military presence in South Korea.<sup>6</sup> Meanwhile, polls that showed setbacks for the US image in certain countries in Asia also showed that most of those polled retained overall positive views of US leadership and that clear majorities in Asia agreed that their interests would suffer if the United States were no longer the world's dominant power.<sup>7</sup>

Under the Bush administration, the United States maintains open markets despite occasional aberrations such as moves in 2002 to protect US farmers and steel manufacturers, or US official complaints in 2004 about US job losses to Asia and unfair currency values by China and Japan. Asian governments view the US economy as more important to Asian economic well being, especially after the Asian economic crisis and Japan's persisting economic difficulties. Though China is a new engine of regional growth, US economic prospects remain much more important for Asian development. The United States in recent years has absorbed a very high percentage (about 40 percent, according to US government figures) of the exports from China, which is emerging as the export-manufacturing base for investors from a wide range of advanced Asian economies. The US market continues to absorb one third of the exports of Japan. The economies of South Korea, Taiwan, and ASEAN rely on the US market to receive around 20 percent of their exports. Much is written about growing Asian trade with China, and indeed China's share of inter regional trade is important and expanding.<sup>8</sup> However, US trade continues to surpass China's trade with the region, especially in the key area of absorbing completed manufactured exports from Asia. Meanwhile, US direct foreign investment has grown notably in China; the level there is less than US investment in Australia, Hong Kong,

<sup>3</sup> Because of North Korea's military power, US military options against North Korea are more limited and difficult than those in the case of Iraq; US strategic deployments in Southwest Asia in 2003–2005 further limited US military options against North Korea.

<sup>4</sup> Robert Sutter, "United States: Leadership maintained amid continuing challenges," in Ashley Tellis and Michael Wills (eds.) *Strategic Asia 2004–2005* Seattle: National Bureau of Asian Research, 2004, p. 37–66. *What the world thinks in 2002*, The Pew research center, December 2002, <http://people-press.org/reports/display.php3?ReportID=165>, p. T-45, T-50.

<sup>5</sup> Michael Swaine, "Reverse Course? The Fragile Turnaround in US-China Relations," *Carnegie Endowment for International Peace Policy Brief* 22, February 2003, p.1–3. Bonnie Glaser, "China and US disagree, but with smiles," *Comparative Connections*, April 2003. Robert Sutter, "Grading Bush's China Policy," *PACNET* 10, March 8, 2002, <http://www.csis.org/pacfor>

<sup>6</sup> Ralph Cossa, "Bush-Roh: Closing the gap," *PACNET* 20, May 20, 2003, <http://www.csis.org/pacfor>. Greg Jaffe, "Pentagon Prepares to scatter soldiers to remote corners," *Wall Street Journal*, May 27, 2003, p.1. Paul Wolfowitz, "Sustaining the US commitment in Asia," *PACNET* 22A, June 5, 2003; and Ralph Cossa, "Force restructuring anxiety," *PACNET* 22, June 3, 2003, both available at <http://www.csis.org/pacfor>

<sup>7</sup> *What the world thinks in 2002*, The Pew research center, December 2002, <http://people-press.org/reports/display.php3?ReportID=165>, p. T-45, T-50.

<sup>8</sup> Robert Sutter, "Why China matters," *Washington Quarterly* Winter 2003–2004 p. 75–89.



Singapore, or Japan. China is only beginning to play a significant role in investing abroad.<sup>9</sup>

Despite strong rhetorical emphasis, Bush administration policy has been pragmatic in promoting human rights, democracy and political values in Asia. As the United States sought allies and supporters in the global war on terrorism and other endeavors, it has moderated its approach in these areas, an adjustment generally welcomed in Asia.<sup>10</sup>

After the September 11, 2001 attacks on America, the United States mobilized military, political, and economic power that proved overwhelming to adversaries and duly impressed Asian states. US power contradicted earlier predictions of US decline; the United States became more powerful and influential in Asia and the Pacific than at any time since the Vietnam War and perhaps earlier.

Amid criticism by some US non-government experts and grumblings in the ranks of the US military, US defense planners moved ahead with planned realignment and downsizing of US forces in Asia and elsewhere abroad, while sustaining large ground force commitments in Iraq.<sup>11</sup> On balance, the changes did not appear to change the prevailing situation where some in the Asian region might wish to challenge or confront the United States, and might be more inclined to do so if the US were seen as "bogged down" in Iraq; but most remained reluctant to do so given the dangers they would face in opposition to the world's dominant power, with a leadership seemingly prepared to use that power against its enemies.<sup>12</sup>

The major regional powers, including Japan and such rising powers as China and India, continued to be domestically preoccupied and are likely to remain so for some time to come.<sup>13</sup> Focused on internal issues, they seek support from the United States and other powers, and do not seek difficulties in their foreign relations.

Japan, China, India, Russia, and other Asian states are actively maneuvering and hedging, seeking new and more multifaceted arrangements to secure their interests in the uncertain regional environment. They sometimes cooperate together. However, the leading Asian powers reflect deep divisions and competition in Asian and world affairs. Their mutual suspicions and competing interests indicate that any meaningful cooperation among them seriously detrimental to US interests remains unlikely. Moreover, this situation of hedging and rivalry also means that should one of these Asian powers emerge as a dominant power, as China appears to be doing, the others have the option of aligning more closely with the United States and one another in order to protect their interests. The recent behavior of Japan, Russia, and India in improving relations with the United States seems to support this conclusion.<sup>14</sup>

Another recent strength in US policy toward Asia has to do with managing US domestic pressures on US policy toward Asia. In general, US policy makers have done a better job in managing the often-strong US domestic pressures that in the post cold war period tended to drive US policy in extreme directions detrimental to a sound and balanced approach to Asia. President Bill Clinton's engagement policy toward China in his second term was more coherent than the policy in his first term that appeared driven by competing US domestic interests. President George W. Bush's policy is better suited to mainstream US opinion regarding China and has the added advantage of avoiding the need for significant US concessions toward

<sup>9</sup>Figures from US Department of Commerce, 2003, 2004. Chinese government figures show Chinese exports to the United States as much less than seen in US government figures.

<sup>10</sup>The United States did not seek to bring China's human rights conditions before the UN Human Rights Commission in 2003. George Gedda, "US won't propose resolution on China," *Associated Press* April 11, 2003 (internet version). It offered a resolution in 2004.

<sup>11</sup>Greg Jaffe, "Pentagon prepares to scatter troops to remote corners," *Wall Street Journal*, May 27, 2003. See also discussion in *US Strategy in the Asia-Pacific Region*. Washington DC: Woodrow Wilson International Center for Scholars, 2003.

<sup>12</sup>"The acceptability of American power," *Economist* June 29, 2002 (internet version). See also, G. John Ikenberry, *Strategic Reactions to American Preeminence*. US National Intelligence Council Conference Report, July 28, 2003 available at [http://www.odci.gov/nic/confreports\\_stratreact.html](http://www.odci.gov/nic/confreports_stratreact.html).

<sup>13</sup>See the chapters on China, Japan, India, and Russia in Richard Ellings et. al. (eds.) *Strategic Asia 2003-2004* Seattle: National Bureau of Asian Research, 2003.

<sup>14</sup>Benjamin Self, "China and Japan: a façade of friendship," *Washington Quarterly* 26:1, p 77-88 (winter 2002-2003). Robert Sutter, *The United States and East Asia*. Lanham MD: Rowman and Littlefield, 2003, p. 199-200, 222-223. Francine Frankel and Harry Harding. *The India-China relationship: what the United States needs to know*. New York: Columbia University Press, 2004.

China on sensitive issues like Taiwan that seriously exacerbate the US domestic debate about China policy.<sup>15</sup>

Meanwhile the Bush administration has improved US relations with all the great powers in Asia. This strengthens US leadership in the region, and reinforces the US government's ability to deal with crises and regional difficulties. The United States having good relations with Japan and China at the same time is very rare. The United States being the dominant power in South Asia and having good relations with both India and Pakistan is unprecedented, as is the current US maintenance of good relations with both Beijing and Taipei.

#### *Conclusion*

On balance, the Bush administration appears wise in pursuing a policy toward North Korea that preserves a leading role and influence for the United States in Asia that will be essential in US efforts to deal with the North Korean nuclear weapons problem in the years ahead. The policy also preserves broader US security, economic, and political interests in this very important world region.

The North Korean announcement of the past week should not prompt unilateral US actions that would be likely to seriously alienate Asian powers and isolate the United States in the region. The steady and incremental US efforts to build international support to contain and pressure the North Korean regime to end nuclear weapons development seem more advisable under existing circumstances. In consultations with allies and associates who have been exposed to North Korean provocations and maneuvers in the Six Party Talks, the United States may eventually be able to come up with a way to conduct bilateral talks with North Korea with the supervision and support of other concerned powers, thereby avoiding North Korean manipulation of the talks to pressure the United States for concessions without North Korea truly ending nuclear weapons development.

Strengthening internationally popular US-backed efforts to curb North Korean export of weapons of mass destruction represents a key element in a US containment policy. Unilateral use of US military force is a last resort risking disastrous consequences for South Korea and overall US interests in Asia.

Mr. LEACH. Thank you, Dr. Sutter.

Mr. Wolfsthal.

#### **STATEMENT OF MR. JON WOLFSTHAL, DEPUTY DIRECTOR FOR NON-PROLIFERATION, CARNEGIE ENDOWMENT FOR INTERNATIONAL PEACE**

Mr. WOLFSTHAL. Thank you, Mr. Chairman and Members of the Subcommittee. I want to thank you for the honor of appearing before you today to discuss the urgent and serious problem of North Korea's nuclear program, and yet I am sorry to say that the security of America is increasingly threatened by the continuing nuclear crisis in North Korea and that America is not prepared to deal with the full implications of that threat.

The failure of American efforts, stemming from both Democratic and Republican Administrations, has allowed North Korea to consolidate its nuclear capabilities and has increased the risk that nuclear weapons will be used against the United States, its allies, and its interests worldwide.

It would be irresponsible, however, to assume that the worst case about Pyongyang's nuclear capabilities is the most likely case. The United States cannot be certain that North Korea has any nuclear weapons or that it can even produce nuclear weapons, and our policies should be based on facts, not assumptions.

But in the end, regardless of North Korea's actual nuclear capabilities, United States policy must fully test whether North Korea is willing to verifiably trade its nuclear capabilities away for some as yet undetermined set of incentives or disincentives.

<sup>15</sup> Hugo Restall, "Tough love for China," *The Wall Street Journal* October 21, 2002 (internet version)

This has never been done. Diplomatic efforts, as many knowledgeable analysts and officials have predicted and, as some of the Members here have said, may well fail. But the sincere public attempt to pursue this path by the United States is an absolute prerequisite if we are to gain the support we need from states in the region and around the world to deal with the consequences of a “no” answer from the North.

We should never forget that within South Korea and even China, leaders must manage their own internal political processes and, especially in South Korea, demonstrating our bona fide effort to pursue a diplomatic solution is a critical step to gaining support for stronger measures, should they become necessary.

My testimony today will touch on two main themes. The first, as I was asked to do, was to assess what we know and do not know about North Korea’s nuclear capabilities.

Much has been said in public about the nature of the North Korean nuclear threat, but a close examination suggests our information is not quite as conclusive as some would believe.

The second theme is in many ways more important and has already been raised here today, as it touches not on the narrow issue of North Korea’s nuclear status, but to the larger role of the United States in East Asia.

On almost all counts, in my opinion, the assumptions that guide Administration policy in the region today appear questionable and could put American interests in long-term jeopardy.

In assessing the nuclear capabilities of North Korea, policy-makers and analysts are bombarded with a lot of soft information and speculation and very few facts.

Thus, I find it useful to divide information into categories of what we know for sure and what we don’t know for sure. And the bottom line, looking at this information, is that North Korea may, as they themselves now claim, possess enough nuclear material to produce nuclear weapons.

Those responsible for our national security cannot assume otherwise. Yet despite our best efforts to uncover the truth, very little is known with certainty about North Korea’s nuclear capabilities.

Secretary of Defense Donald Rumsfeld finally got it right on February 10 when he said, “I don’t want to confirm that North Korea has nuclear weapons, because I just can’t do that.”

We can also not totally dismiss the possibility that North Korea is undertaking the greatest nuclear bluff in history. United States intelligence cannot confirm that North Korea possesses enough material for even one nuclear weapon, despite the language used in the intelligence assessments. I would be surprised if this were the case, but it cannot be ruled out. Moreover, as North Korea has a major incentive to exaggerate its capabilities, we have to take all of their statements with a serious grain of salt.

The bottom line is that North Korea’s nuclear capabilities remain in doubt. We know they have produced some plutonium, but we don’t know how much. We know where they produced their nuclear materials, but we don’t know where they are stored. We know they have tried to buy equipment for uranium enrichment, but we don’t know if they have built any uranium production facilities.

We know they have received help from Pakistan, but we don't know if that help is ongoing or if they can perfect the uranium enrichment process on their own. We know they have ballistic missiles, but we don't know if they can produce a nuclear warhead small or reliable enough to be placed on a missile.

In sum, we know the plot, but we don't know the outcome or even the full list of characters.

Mr. Chairman, the title of the hearing captures the key question for all of us: Is there a way forward? And we all want the same thing: A Korean Peninsula free of nuclear weapons.

Yet regardless of North Korea's current or projected nuclear capabilities, what is needed is a concrete set of recommendations for how the United States and its partners in the region can best bring about an end to North Korea's nuclear capabilities and in this, there are no easy answers and no silver bullets.

The Bush Administration is now apparently prepared to actively test the willingness of North Korea to negotiate away its nuclear program, even though they suspect North Korea will balk at the opportunity.

In this, they should be supported. The question is whether the effort comes too late and I do not believe it does. We can still succeed, but it will require the U.S. and its partners to work more closely together, as Dr. Sutter just said, and to be more flexible in their positions.

North Korea's February 10 declaration that it has nuclear weapons also contains the clear statement quoted by our Chairman today that it was prepared to continue negotiations with the United States to achieve a non-nuclear peninsula.

For U.S. policy to work, we must demonstrate, in the clearest possible way, that the U.S. is serious about pursuing a diplomatic solution.

If North Korea refuses to accept the Six-Party format, United States officials should announce that they will meet anytime, anywhere with a North Korean official empowered to make real progress.

The Bush Administration is right to keep other players involved, but it is wrong to reject any deviation from the Six-Party formula.

China, South Korea, and Japan would all support bilateral talks and have stated their support for bilateral efforts, as long as we maintain open channels to all three countries.

A final deal can easily be signed or endorsed in a larger multilateral process. North Korea could either accept this serious proposal with serious Chinese and South Korean encouragement, or North Korea could well, as I suspect they will, refuse, and the question of North Korea's willingness to negotiate will finally be resolved. We should be prepared for either response, but today, in my opinion, we are prepared for neither.

If North Korea says yes, the United States should work to make fast progress. Washington should be prepared to engage in continuous negotiations—not what Dr. Pritchard, our former Ambassador to North Korea or Ambassador to talks, has called hit and run negotiations or drive-by negotiations—and we should do these at a high level, and the talks should include the offer of both near-term

and long-term economic and security incentives directly and through our allies.

These should include, as the President has said, security guarantees to North Korea, but this Administration must demonstrate that United States officials are serious when they say they have no higher priority than preventing the spread of nuclear weapons.

Avoiding bad precedents, not rewarding bad behavior, and never paying blackmail, as important as those efforts are, should be secondary to preventing the spread of nuclear weapons and to protecting this country.

Bad precedents cannot destroy cities or kill millions. Nuclear weapons can.

As part of our efforts, North Korea must be made to understand that any final agreement must include a complete accounting and elimination of any uranium enrichment equipment and materials they possess or have acquired.

But this can be accomplished in a way that does not require a public admission of guilt by North Korea. Such a process is similar to what most United States out of court settlements with polluters or corporate criminals, who are punished without publicly accepting blame. This model should be considered as a way out of the current standoff.

But, as I believe is likely, North Korea may well refuse any serious and concerted United States offer to resolve the standoff through negotiations. Here again, I believe we are not prepared for this answer.

How will the United States engage in coercive measures if we are not supported by one of our closest allies in the region, South Korea?

Seoul would likely resist any United States attempt to increase troop levels in the South, to deploy additional missile defense, anti-artillery radar, or other equipment needed to reinforce deterrents on the peninsula in the face of a nuclear adversary.

How can we prevent North Korea from trying to export some of its nuclear capabilities? While an important tool, the proliferation security initiative is not a panacea. We cannot block every grapefruit-sized shipment out of that country.

A broad legal basis for action can only be established if necessary through the U.N. Security Council, a forum in which, I am sorry to add, North Korea's withdrawal from the Nonproliferation Treaty and violations has never been brought up by the United States.

None of these steps would be possible, however, unless we demonstrate that all of the other options have been exhausted.

Despite the number of years that North Korea's nuclear program has been a concern and the amount of time that United States officials and experts have invested on the issue, I am worried that America fundamentally seems to be misjudging some of the broader dynamics and key players in the region and I will touch only briefly on South Korea and China.

Within the small community of experts who work on U.S.-ROK alliance, there are two main perceptions. The first, found mostly among current government officials and more senior experts who engage with the traditional power centers in Seoul, is that South Korea and the United States have identical security interests. This

in turn leads these experts to believe that in the worst case, the United States and South Korea will be able to stand together in confronting North Korea's pursuit of nuclear weapons and that, should worse come to worse, Seoul will endorse a series of coercive steps, including even those that increase the risk of conflict with the North.

The second perception, which I hold, is found mainly among analysts and experts who engage with the so-called "386 Generation" of political leaders and experts in South Korea, who are in their 30s, graduated from university in the 1980s, and were born in the 1960s.

This block forms the core of the Uri-dong party of President Roh Moo-hyun. Many experts in close contact with 386ers are concerned about the overall view of the United States and of the growing frustration with this stratum of South Korean society.

This emerging generation of Korea feels they owe less to the United States than do their parents and increasingly view the North Koreans as their brethren, not their enemy.

Moreover, it is not clear to many 386ers that the United States truly has the best security and political interests of South Korea as a primary driver.

Members of this new generation are less likely to risk conflict with the North on ideological grounds, and on a basic level, I think it is understandable that people in the South, at least some of them, want to preserve stability and pursue engagement with their countrymen to the North and to avoid those policies often enunciated by the United States that might put those two goals at risk.

Thus, to an increasing degree, in my opinion, United States policy toward North Korea is based on the flawed assumption that the U.S.-ROK alliance will prove solid enough for the United States to pursue a credible policy of coercion and, if necessary, offensive military action against North Korea.

On the contrary, I believe that moves by the United States to tighten pressure on the North, absent over provocation by Pyongyang, will result in an unraveling of the U.S.-ROK alliance.

To prevent this disaster, we must understand and be sensitive to the political dynamics that the Uri-dong and President Roh must deal with to ensure that our alliance can withstand the threat posed to both of us by North Korea.

The Bush Administration also appears to believe that United States and Chinese interests in North Korea are identical, namely keeping North Korea from acquiring nuclear weapons.

President Bush's commitment to the Six-Party diplomatic process has been publicly justified on the need to keep China integrally engaged. United States officials have stated their belief, as many have here today, that only China has the leverage required to force North Korea to abandon its nuclear ambitions, yet this only captures part of China's perspective.

On a recent visit to Beijing, a Chinese colleague reminded me that China has two goals in Korea. The first is to keep the peninsula non-nuclear and the second is to preserve stability and prevent a collapse of the regime in Pyongyang.

He asked: "Why China, now that the first goal appears lost, should throw away the second?" Thus, at least in some parts of the

Chinese community, there is a real disconnect between Chinese and American goals.

The concern that stems from this disconnect is, over the long run, convinced the Chinese possess the leverage needed to bring North Korea to heel, United States officials will increasingly wonder why China has chosen not to use that leverage.

Convinced that their strategy is right, some American officials may increasingly view China as a scapegoat for the failure of American policy. This in turn can reignite some longstanding concerns about China and its role within the region, held by some of the more conservative personalities within the Administration.

Mr. Chairman, it may be too late to keep North Korea from acquiring nuclear weapons and we may, despite any and all efforts, be unable to roll back whatever capabilities they currently possess.

History may well look back at our failed efforts with North Korea as a turning point, when the nuclear dam bursts and nuclear weapons became widespread and commonplace in the arsenals of scores of countries.

If such a future were to pass, despite our best efforts, it would be horrific and hard to live with, but knowing we have not done our best and have not pursued all avenues available to us makes such a future even harder to face.

This is true not just because of the implications for North Korea, but because it will lay bare the fallacy that the top priority of this and past Administrations—to prevent the spread of weapons of mass destruction—has not, in fact, been true.

All recent Presidents have used the words to demonstrate that they understand the unique threat posed by these weapons. Finding out that we have not meant what we have said will reduce the credibility of the United States worldwide at the very time that its conventional capabilities are increasingly challenged by emerging nuclear arsenals in various states.

Thank you.

[The prepared statement of Mr. Wolfsthal follows:]

PREPARED STATEMENT OF MR. JON WOLFSTHAL, DEPUTY DIRECTOR FOR NON-PROLIFERATION, CARNEGIE ENDOWMENT FOR INTERNATIONAL PEACE

#### NO GOOD CHOICES—THE IMPLICATIONS OF A NUCLEAR NORTH KOREA

I want to thank the Chairman and members of the subcommittees for the honor of appearing before you today to discuss the urgent and serious issue of nuclear weapons on the Korean peninsula. It is a great privilege to provide any insight or information I can to Congress, the heart of our great American democracy. And yet I am sorry to say that the security of America is increasingly threatened by the long-standing and continuing nuclear crisis in North Korea and that America is not prepared to deal with the full implications of that threat. The failure of American efforts—stemming from both democratic and republican administrations—has allowed North Korea to consolidate its nuclear capabilities and has increased the risk that nuclear weapons will be used against the United States, its allies and its interests worldwide. As a result, nuclear weapons could become the currency of power in East Asia and elsewhere, to the detriment of American interests.

That being said, it would be irresponsible to assume that the worst case about Pyongyang's nuclear capabilities is the most likely case. The United States cannot be certain that North Korea *has* nuclear weapons or even that it can *produce* nuclear weapons. Our policies should be based on facts, not assumptions. But, in the end, US policy must fully test the proposition that North Korea would be willing to verifiably trade all of its nuclear capabilities away for some as yet undetermined set of incentives/disincentives, regardless of North Korea's actual nuclear capabilities. This has never been done. I repeat, the US has no conclusive way of knowing

if North Korea would be willing to eliminate its nuclear capabilities as part of a diplomatic settlement. We have pieces of information and partial evidence that can help us predict, but no conclusive answers. Diplomatic efforts, as many knowledgeable analysts have predicted, may well fail and I am personally skeptical that North Korea will trade away its nuclear program, in current circumstances. But the sincere and public attempt to pursue this path by the United States is an absolute prerequisite if we are to gain the support we need from states in the region and around the world to deal with the consequences of a “no” from the North. In addition, a true diplomatic attempt is also a first step to taking those measures needed to protect ourselves and our allies, to reinforce deterrence on the peninsula, to prevent North Korea’s capabilities from spreading to others, and to prevent North Korea’s proliferation from becoming a “how-to guide” for others such as Iran. It appears, at least from press reports, that the administration is trying to move too quickly to the next step in the process—coercive steps against the North—without laying the adequate ground work by truly exhausting diplomatic avenues. We must never forget that within South Korea and even China, the leaders must manage their own internal political processes and especially in South Korea, demonstrating our bone fide efforts to pursue a diplomatic solution is a critical step to gaining support for stronger measures that may become necessary.

My testimony today will touch on two main themes. The first is to assess what we know and do not know about North Korea’s nuclear capabilities. Much has been said in public about the nature of the North Korean nuclear threat, but closer examination suggests our information is not quite as conclusive as some would believe. While currently holding no clearances, I worked at the Department of Energy during the 1990s, served as the US Government on-site monitor at North Korea’s nuclear facilities in 1995 and 1996, and tracked North Korea closely for 15 years—experiences which give me at least a basic capability to assess what we do and do not know. The second theme is in many ways more important as it touches not on the narrow issue of North Korea’s nuclear status, but to the larger role of the US in East Asia. Current US policy toward the North is based on a set of assumptions about how our partners in the region see us and our objectives, and where their key interests lie. On almost all counts, the assumptions of the current administration in the region are appear questionable and put American interests in long-term jeopardy.

#### NATURE OF THE THREAT

In assessing the nuclear capabilities of North Korea, policy makers and analysts are bombarded with a lot of soft information and speculation, but very few facts. I have previously referred to North Korea as an intelligence black hole. Thus, I find it useful to divide information into categories of what we “know”, what is “reasonable” to believe, and what we cannot know for sure.

The bottom line is that North Korea may, as they themselves now claim, possess enough nuclear material to produce nuclear weapons. It is reasonable to assume that given the capabilities of North Korea’s facilities and the amount of time they have spent on nuclear pursuits that they have enough technical skill and material to produce at least a basic nuclear device. Those responsible for our national security cannot assume otherwise. Yet despite our best efforts to uncover the truth, very little is known with certainty about North Korea’s nuclear capabilities. Secretary of Defense Donald Rumsfeld got it right when he said on February 10th that “I don’t want to confirm that [North Korea has nuclear weapons] because I just can’t do that.”

However, we cannot totally dismiss the possibility that North Korea is undertaking the greatest nuclear bluff in history. US Intelligence cannot confirm that North Korea possesses enough nuclear material for even one nuclear bomb. I would be surprised if this was the case, but it cannot be ruled out. Moreover, as North Korea has a major incentive to exaggerate its capabilities, we have to take all of their statements with a grain of salt.

#### PLUTONIUM PRODUCTION AND STOCKS

##### *What we “know”*

North Korea has produced and separated an unknown amount of plutonium. International Atomic Energy Agency (IAEA) inspectors were allowed to take samples of North Korea’s declared plutonium inventory of 62 grams in the early 1990s, and the agency believes that more than that amount was produced prior to 1992. North Korea now claims it possesses at least 25–30 kilograms of plutonium—enough for several weapons—extracted from 8000 spent fuel rods removed from its 5MW reactor in 1994 and previously frozen under IAEA inspection until 2003.



*What is “reasonable” to believe?*

US intelligence stated repeatedly throughout the 1990s that it believed North Korea had enough plutonium to produce 1 or maybe 2 nuclear weapons. Since 2002, North Korea may have been able to process the plutonium from 8000 spent fuel rods and could now have enough plutonium to produce perhaps 10 nuclear weapons, depending on how much plutonium was in the fuel and how much material North Korea requires for each device. This, however, is a worst-case scenario based on what is known about the technical capabilities of North Korea’s nuclear facilities and cannot be publicly confirmed. Any official responsible for the security of the United States must plan for the possibility that North Korea does possess a nuclear device, and perhaps several such devices.

*What we don’t know*

It is not publicly known with any certainty if North Korea possesses a nuclear weapon or if it has actually produced enough plutonium to build a weapon. Not enough conclusive evidence has been collected to discount the possibility that North Korea’s nuclear program is anything but a Trojan horse. If North Korea does possess nuclear weapons or large stocks of plutonium, the location of these assets is unknown.

*Conclusion*

National security officials must assume that North Korea has a basic nuclear weapon arsenal, but should be open to the possibility that it has none at all. North Korea has been very effective at hiding information about its nuclear activities from both the United States and the IAEA, keeping alive the possibility that its capabilities are less advanced than it would like others to believe.

## HIGHLY ENRICHED URANIUM PRODUCTION CAPABILITIES

In the summer of 2002, US intelligence concluded that North Korea was actively pursuing the production of uranium for use in nuclear weapons. Unclassified materials sent to Congress stated that the intelligence community had “recently learned that the North is constructing a plant that could produce enough weapons-grade uranium for two or more nuclear weapons per year when fully operational—which could be as soon as mid-decade.”

*What we “know”*

It is known that North Korea transacted business with the nuclear black market operation run by A.Q. Khan out of Pakistan and that it sought to import large amounts of specialized uranium enrichment equipment (known as centrifuges). North Korean officials reportedly acknowledged pursuing a uranium program during bilateral meetings with US officials in Pyongyang in October 2002, but have publicly denied it ever since. North Korea has large deposits of uranium ore, but would need to perfect a number of highly sophisticated and demanding operations to produce weapon-usable uranium. US intelligence has not publicly identified any uranium enrichment facilities in North Korea.

*What is “Reasonable” to believe?*

It is reasonable to believe that North Korea has a uranium enrichment program. North Korea has sold missiles to Pakistan and A.Q. Khan is alleged to have taken almost a dozen trips to North Korea in the 1990s. However, there is great skepticism in the technical community whether North Korea can perfect the uranium enrichment process (highly demanding for a technically backward but industrious state) and North Korea may still be many years away from being able to produce weapons uranium, if such an effort is actually underway.

*What we don’t know*

We don’t know if North Korea is really building a uranium capability, and if so, where it is. It is possible that North Korea received specialized equipment for uranium as part of the A.Q. Khan network, but then transshipped them to another recipient such as Iran or Libya. We also don’t have any public confirmation about whether North Korea continues to receive outside technical assistance in its pursuit of a uranium enrichment capability.

## WEAPONS PRODUCTION

*What we know*

Very little is known about weapon production activities in North Korea. North Korea has a highly developed conventional weapons and high explosives production capability and is a leading exporter of basic military equipment (rifles, mortars,

landmines, etc). This experience with explosives and manufacturing would be helpful in producing a first generation nuclear weapon.

*What is "reasonable" to believe?*

It is reasonable to assume that North Korea has the ability to produce a basic nuclear device, along the lines of those produced by the United States in the 1940s. It is also possible that North Korea gained access to more advanced nuclear designs through the A.Q. Khan network, which provided weapon designs to Libya and possibly Iran. US intelligence believes that North Korea is capable of producing a small enough nuclear device to put on a short and possibly a medium range ballistic missile (in range of Japan), but the extent of North Korea's ability to miniaturize a nuclear device for a long-range missile is in doubt. A recent South Korean intelligence assessment stated that delivery by aircraft was more likely and technically feasible than delivery by missile. The US has yet to publicly authenticate its most recent assessment that North Korea might be able to deliver a nuclear sized payload by ballistic missile to the United States via the Taepo-Dong 2 missile.

*What we don't know*

It is unknown if North Korea has produced actual nuclear weapons and, if so, how many. It is also not known if North Korea can produce small enough nuclear devices to place them on missiles for delivery or if the warheads are reliable enough to work if delivered by missile system.

The bottom line is that North Korea's nuclear capabilities remain in question and public statements by US officials, or by North Korean officials, should be consumed with a healthy dose of skepticism. A prime example is the recent press reporting that North Korea may have shipped uranium hexafluoride (UF<sub>6</sub>) to Libya. Such a transaction may have taken place. There is not enough publicly available information, however, to conclude that such a transfer actually took place or indeed that North Korea is even able to produce the material in question. However, the reports that this determination was made on the basis of technical work done at the US laboratories and is not the result of an intelligence community wide assessment raises red flags in the minds of many concerned about the lessons learned from the run up to the war with Iraq. To be sure, North Korea may have the ability to produce UF<sub>6</sub> and could have exported this material to Libya, with clear and serious implications for their willingness to engage in other, more dangerous transfers. But the certainty with which people speak about the case does not appear supported by what is known publicly and the public's faith in information the intelligence community uses to increase its certainty has, at the very least, been shaken.

A brief discussion of this issue was posted to the Carnegie Endowment's Webpage [www.proliferationnews.org](http://www.proliferationnews.org) in early February. It states:

*"Not So Fast*

US officials recently briefed Chinese and South Korean officials on information they maintain proves North Korea shipped uranium hexafluoride to Libya. The material is a precursor for nuclear weapons production. The new claims are based on two pieces of evidence uncovered by US laboratory experts, most likely at Oak Ridge National Laboratory where Libya's nuclear equipment is being studied. The first is that the isotopic composition of the uranium may reveal a North Korean source. The second is that the uranium hexafluoride (UF<sub>6</sub>) containers from Libya revealed traces of plutonium identical to those previously found in North Korea. An examination of publicly available information, however, suggests the evidence is far from conclusive.

#### *1. Uranium composition*

Uranium is made up of several different isotopes, including Uranium-235 (used in nuclear weapons at high levels of enrichment), Uranium-238, and Uranium-234, which is very rare. Reports indicate that US experts compared the U-234 percentages in the Libyan material against known samples of uranium from around the world. As the US does not have samples of uranium from North Korea, the experts concluded that the sample must have come from North Korea by process of elimination.

This raises the possibility, however, that the Libyan material comes from another uranium mine for which the US has no sample or record, or that the uranium ore was exported from North Korea, converted to UF<sub>6</sub> in another country, and then shipped to Libya. Pakistan has large-scale UF<sub>6</sub> conversion capabilities and was at the heart of the A.Q. Khan supply network. Recent press reports indicate that several canisters of UF<sub>6</sub> are believed to be missing from the A.Q. Khan laboratories in Pakistan, a charge Pakistani officials have denied. In addition, technical experts have confirmed that U-234 content can vary greatly even within the same mine or

even within the same sample of ore, raising the possibility that the uranium sample does come from a known source.

## 2. Plutonium Traces

According to media sources, the UF<sub>6</sub> shipping containers moved from Libya to the United States revealed samples of plutonium that match those previously taken in North Korea. This suggests some link between North Korea and Libya (possibly through an intermediary country such as Pakistan) but could be the result of cross-contamination between the canisters and other equipment. UF<sub>6</sub> containers are routinely packaged for transport in larger over packs and shipping crates, many of which can be used for a variety of functions. Although the circumstantial link cannot be ruled out, the plutonium samples would not in themselves provide a conclusive link that the uranium contained in them was produced or, indeed, was ever in North Korea. One possible alternative explanation is that the canisters were sent from somewhere else to North Korea and then transshipped to Libya.

Pyongyang is known with certainty to have a plutonium production capability and may possess enough separated plutonium to produce a small arsenal of nuclear weapons. North Korea's Foreign Ministry claimed on February 10 that the government has already produced nuclear weapons. Less information is known about their alleged uranium enrichment program. US government officials have yet to publicly identify any uranium enrichment sites in North Korea, and it is not known with certainty that North Korea can produce uranium hexafluoride. It is possible that North Korea can produce limited amounts of UF<sub>6</sub>, and the evidence of North Korea's previous attempts to purchase uranium enrichment technology through the A.Q. Khan supply network seems credible. However, the link between Libya and North Korea appears tenuous, based on what is publicly known.

If the information is not fully supported by the US intelligence community and is not as conclusive as US officials appear to be asserting to Chinese and other officials, it risks further damaging US credibility with key countries in the Far East. China has been openly skeptical of the US claims that North Korea has an enrichment program. Should these links between North Korea and Libya prove false, it may be hard to reestablish China's confidence in US diplomatic and intelligence efforts."

## IS THERE A PATH FORWARD?

The title of this hearing captures the key question for all of us. We all want the same thing—a Korean peninsula free of nuclear weapons. Yet regardless of North Korea's current or projected nuclear capabilities, what is needed is a concrete set of recommendations for how the United States and its partners in the region can best bring about the end to North Korea's nuclear capabilities. In this, there are no easy answers and no silver bullets. The suggestions I will make today are also contained in a forthcoming policy document authored with my colleagues at the Carnegie Endowment for International Peace named *Universal Compliance: A Strategy for Nuclear Security*. This report is the result of an intensive, international 18-month effort to develop a new effective nonproliferation policy that can gain broad international support. The main conclusions from this report on North Korea inform my testimony and, and this brief section is attached as an appendix to my formal statement.

Before I continue, however, a word about the past. The past cannot be undone and, as they say, there is plenty of blame to go around. Yet for all of the criticism levied at the Clinton administration and the 1994 Agreed Framework—one thing is clear to me. President Clinton, despite the unpopularity of the move within Congress and even within the security community, was willing to make tough decisions and do what was necessary to freeze North Korea's nuclear program and protect the United States from the inherent threat posed by the acquisition of nuclear weapons by North Korea. He put the national interest above his political interests or personal ideology. Within his time in office, he was successful. Whatever plutonium North Korea has today was acquired either before he was elected or since the Bush administration took office.

Moreover, the past four years are littered with missed opportunities for the Bush administration to take the same leadership and make the hard decisions—either for real engagement or real coercion—to reverse North Korea's nuclear program. For the first few years, internal disputes and ideological positions prevented the US from adopting any consistent policy and officials deliberately downplayed the nature of the developments in North Korea. We are now living with the consequences. We cannot make up for this lost time, but neither can we ignore the implications of our past and current policies for how our future efforts will be judged in the region.

The Bush administration is now apparently prepared to actively test the willingness of North Korea to negotiate away its nuclear program, even though they expect North Korea to balk at the opportunity. I believe the administration is now prepared to offer Pyongyang a concrete set of long-term incentives in exchange for the total and monitored elimination of its nuclear capabilities, providing more specifics to flesh out the proposal tables last June at the 3rd round of the 6 party talks. In this, they should be supported. The question is whether this effort comes too late.

I do not believe it does. We still have an opportunity to succeed, but it will require the US and its partners to work more closely together and to be more flexible in their positions. North Korea's February 10th declaration that it has nuclear weapons also contained a clear statement that it was prepared to engage in negotiations with the United States to achieve a non-nuclear Korean peninsula. The Foreign Ministry stated that "[T]he DPRK's principled stand to solve the issue through dialogue and negotiations and its ultimate goal to denuclearize the Korean Peninsula remain unchanged." It is possible that the statement was designed simply to raise the price North Korea could charge China for Pyongyang's attendance at the six party talks. Now is the time to find out.

For any US policy to work, we must demonstrate in the clearest possible way that the US is serious about pursuing a diplomatic solution. If North Korea refuses to accept the six party format, the US should be prepared to announce that it would meet anytime, anywhere with North Korean officials empowered to make real progress on the nuclear issue. The Bush administration is right to keep other key players involved, but is wrong to reject any deviation from the 6 party formula. China, South Korea and Japan would all support such a move as long as we maintained open channels to all three countries. Any final agreement, on the slim chance that one can be reached, could be completed in a multilateral format and endorsed by the six parties or even the UN Security Council. North Korea could accept the serious proposal, with Chinese and South Korean encouragement, and if so the US will have the opportunity to lay out a detailed, reasonable proposal to the North. However, North Korea could well refuse and the question of North Korea's willingness to negotiate will be resolved. We should be prepared for either response. Today, we are prepared for neither.

If North Korea says yes to negotiations and the outlines of an agreement, the United States should work to make fast progress. Washington should be prepared to engage in continuous negotiations at a high level and to include both near-term and longer term economic and security incentives to the North directly, and through our allies. These should include, as the President has said, security guarantees to North Korea. But this administration must demonstrate that US officials are serious when they say that they have no higher priority than preventing the spread of nuclear weapons. Avoiding bad precedents, not rewarding bad behavior, and never paying blackmail—as unpleasant as they are—should be secondary principles to preventing nuclear proliferation and protecting the country. Bad precedents cannot destroy a city or kill millions. Nuclear weapons can.

There is much work to be done to negotiate a verifiable agreement. Once the basic parameters are set, the US should be prepared to endorse certain temporary incentives for North Korea to adopt a full freeze on their nuclear program and, as they have offered to do, place all of the plutonium recovered from spent fuel in the past few years back under inspection. Thus, we would freeze the clock and stop losing ground while negotiations proceed. North Korea must be made to understand that any final agreement must include a complete accounting and elimination of any uranium enrichment equipment and materials they may possess or have acquired, but that this can be accomplished in a way that does not require a public admission of guilt by North Korea. Such a process is similar to most US out-of-court settlements with polluters and corporate criminals who are punished without publicly accepting blame. This model should be seen as a way to escape the standoff over uranium enrichment in which the US and North Korea find themselves.

Despite several years of effort the US is still not sure how it would move to implement a comprehensive agreement with North Korea. While much work has been done on verification, little preparation has been made for how to secure and dismantle North Korea's capabilities. Exactly how North Korea's facilities would be dismantled, by whom and under what kind of monitoring remains to be worked out. It is also not clear what role China, South Korea and Japan might play in Cooperative Threat Reduction-style efforts in North Korea such as reactor dismantling, spent fuel and nuclear waste removal and disposal, etc. Much more work on these critical issues, including learning the lessons from Russia, Iraq and Libya, needs to be done and I am pleased to note that some useful work is being carried out as part of a joint project between the Carnegie Endowment and the Center for Strategic and International Studies.

But, as I believe is likely, North Korea may refuse a serious and concerted US offer to resolve the standoff through negotiations. Here again, the US is not prepared for this answer. How will the US engage in coercive measures if they are not supported by one of our closest allies in the region—South Korea? Today, most South Koreans blame the US for the crisis and most would resist any US attempt to increase troop levels in the South or to deploy additional missile defenses, anti-artillery radar, and other equipment needed to reinforce stability and deterrence in the face of a nuclear North Korea. How can we prevent North Korea from trying to export some of its nuclear capabilities? How would we react if the North resumed testing of ballistic missiles or conducted a nuclear weapons test? While an important tool, the Proliferation Security Initiative is not a panacea. A broad, legal basis for action can only be established through the UN Security Council, a forum in which North Korea's withdrawal from the NPT has never been brought up by the United States. Yet none of these steps will be possible unless we demonstrate that other options have been exhausted.

#### BROADER ISSUES

The state of North Korea's nuclear capabilities is an important issue for American security and for the security of US friends and allies in East Asia and beyond. Yet, despite the number of years the North's nuclear program has been a concern and the amount of time US officials and experts have invested on the issue, America appears to be fundamentally misjudging the dynamics in key regional states. Managing nuclear diplomacy toward North Korea has always been a complicated dance with multiple partners. There has rarely been a moment when all of the major actors are on the same page, or have pursued a common approach toward the North.

#### THE US-ROK ALLIANCE

Within the small community of experts who work on the US-ROK alliance, there are two main perceptions. The first, found mostly among current government officials and more senior experts who engage with the traditional power centers in Seoul, is that the relationship between the US and South Korea is stable and that South Korea and the United States have identical security interests. This in turn leads these experts to believe that in the worst case, the United States and South Korea will be able to stand together in confronting North Korea's pursuit of nuclear weapons and that, should worse come to worse, that Seoul will endorse a series of coercive steps, including those that increase the risk of conflict with the North.

The second perception is found among analysts and experts who engage with the 386 generation of political leaders and experts in South Korea (those currently in their 30s, graduated university in the 80s and born in the 60s) who now form the core of the Uri-Dong party of President Roh Moo-hyun. These experts, who closely track public attitudes among the younger generation in South Korea, are concerned about the overall view of the United States and of the growing frustration within this stratum of society. The emerging generation in Korea feels they owe less to the United States than their parents do, and increasingly view North Koreans as their brethren, not their enemy. Moreover, it is not clear to many 386ers that the US has the best security and political interests of South Korea at heart. The treatment of former President Kim Dae Jung by Washington in 2001, the redeployment of US troops from Korea to Iraq, and the blunt manner in which large-scale troop reductions were handled last year reinforce this perception.

Moreover, members of this new generation are less likely to risk conflict with the North on ideological grounds. On a basic level, I think it is understandable that people in the South was to preserve stability and to pursue engagement with their countrymen to the North, and to avoid those policies—often put forward by the United States—that might put those two goals at risk. This is sometimes thought of as anti-Americanism, a perception I do not share. In fact, the sentiments sometimes expressed as “anti-American” are just as often expressions of frustration with the slow pace of economic reform, a resistance to adopt traditional Korean cultural obligations, and a natural desire to peace, stability and prosperity. There are clearly anti-American elements in South Korea, but the reality is more complicated than it seems.

Thus, to an increasing degree, US policy toward North Korea is based on the flawed assumption that the US-ROK alliance will prove solid enough for the United States to pursue a credible policy of coercion and, if necessary, offensive military actions against North Korea. Based on my admittedly limited experience with South Korean politics, I believe that moves by the United States to tighten pressure on the North—absent overt provocation by the Pyongyang—will result in an unraveling of the US-ROK alliance. As a consequence, some in South Korea may also begin

to reassess their nuclear options. The only way this can be avoided is if the US can demonstrate that it has truly exhausted diplomatic efforts with North Korea, including the possibility of multilateral and bilateral talks, and the offering of explicit incentives to the North to abandon its nuclear efforts. We must understand and be sensitive to the political dynamics that the Uri-dong and President Roh must deal with to ensure that our alliance can withstand the threat posed by North Korea.

#### US-CHINA

The Bush administration appears to believe that US and Chinese interests in North Korea are identical—namely keeping North Korea from acquiring nuclear weapons. President Bush's commitment to the 6-party diplomatic process has been publicly justified on the need to keep China engaged, and to use their perceived leverage over North Korea. US officials have stated their belief that China alone has the leverage required to force North Korea to abandon its nuclear ambitions. Yet, this only captures part of the picture from China's perspective. As a Chinese colleague recently reminded me, China has two main goals in Korea. The first goal is to keep the peninsula non-nuclear, and the second goal is to preserve stability and prevent a collapse of the regime in Pyongyang. He asked why China—now that the first goal appears lost—should throw away the second. Thus, at least in some parts of the Chinese leadership, there is a real disconnect between Chinese and US goals.

The concern that stems from this disconnect is that over the long run, convinced that China possesses the leverage needed to bring North Korea to heel, US officials will wonder why China has chosen not to use its leverage. Convinced their strategy is right, some American officials may increasingly view China as a scapegoat for the failure of US policy. This, in turn, can reignite some longstanding concerns about China and its role in the region among some of the more conservative personalities within the administration.

Chinese officials have played a positive role in orchestrating the 6-party talks and in ensuring North Korea's past participation in those talks, yet China continues to see its role as a mediator between the United States and North Korea, whereas Washington wants to ensure that China is a protagonist supporting US goals and applying its leverage on North Korea to abandon its nuclear activities. For its part, however, China has not conditioned its efforts with North Korea on the continuation of the 6 party talks, and in fact China has consistently counseled the US to engage directly with North Korea. President Bush and his administration deserve credit for the positive trends in the US-PRC relationship and more should be done to reinforce these developments. But we must have better communication, listen more effectively, and keep the DPRK from driving a wedge between our two countries.

#### US-JAPAN

Here, too, the Bush administration deserves great credit for the strong condition of the US-Japanese alliance. Almost all of my Japanese colleagues have expressed their belief that the alliance is stronger today than at any time in recent memory. Moreover, due to the unpleasant kidnapping issue with North Korea, Japanese public sentiment has turned strongly against engagement with North Korea and is now more closely in turn with American policy. The central question is whether this emotional political issue will sustain anti-North Korean sentiment over the long-term, or if the risk of conflict in the region increases, whether Japanese concerns about instability and the military and economic consequences of military action will force the Japanese public to modify its position vis a vis the United States and North Korea.

#### CONCLUSIONS

It may be too late to keep North Korea from acquiring nuclear weapons and we may, despite any and all efforts, be unable to roll back whatever nuclear capabilities North Korea has acquired. History may well look back at our failed efforts with North Korea as the turning point when the nuclear dam burst and nuclear weapons became widespread and commonplace in the arsenals of scores of countries. If such a future were to come to pass despite our best efforts, it would be horrific and hard to live with. But knowing that we have not done our best and pursued all avenues available to us makes such a future even harder to face. This is true not just because of the implications for North Korea, but because it will lay bare the fallacy that the top priority of the administration is to prevent the spread and use of these weapons. All recent presidents have used the words to demonstrate that they understand the unique threat posed by these weapons. Finding out that we have not meant what we have said will reduce the credibility of the United States worldwide.

at the very time that its conventional capabilities are increasingly challenged by emerging nuclear arsenals in various states.

Most immediately, we must be concerned that Iran is taking its cues from the North Korea playbook. I am increasingly concerned that Iran has now learned that its efforts to acquire nuclear weapons can be successful if pursued not in leaps and bounds, but step by small step. Here again, I believe our efforts do not reflect the seriousness of the issue or take advantage of the opportunities that are available. But in North Korea, this has and continues clearly to be the case.

Thank you.

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#### APPENDIX

Excerpt from *Universal Compliance: A Strategy for Nuclear Security*, Carnegie Endowment for International Peace, February 2005

##### DEMOCRATIC PEOPLE'S REPUBLIC OF KOREA (DPRK) AND NORTHEAST

North Korea (formally, the Democratic People's Republic of Korea, or DPRK) has an active nuclear weapons program and likely possesses enough nuclear material for up to nine nuclear weapons. U.S. troops, allies in the region, and strategic interests are directly threatened by North Korea's growing nuclear capability, pursued in violation of Pyongyang's commitments under the Non-Proliferation Treaty and other agreements. Acceptance of a North Korean nuclear weapons capability is inconsistent with vital U.S. national security interests. Given North Korea's economic strains, it is conceivable that Pyongyang might sell nuclear materials or weapons to other states or terrorist groups, taking a regional threat to the global level. In such a scenario, U.S. policy makers could face the truly appalling choice between acquiescing in North Korea's transfer of its weapons technology or fighting a full-fledged war on the Korean peninsula.

Even if North Korea does not make nuclear exports, its nuclear status is untenable. A failure to resolve the North Korean nuclear threat would undermine the cause of nuclear nonproliferation and make it far more likely that South Korea and Japan would reconsider their own nuclear status.

The United States and its partners in dialogue with North Korea must move more aggressively to determine whether and under what conditions North Korea is willing to relinquish its nuclear capabilities. Finding Pyongyang's bottom line will allow the United States and its allies either to negotiate a verifiable end to North Korea's nuclear program or to build a consensus on responding to the threat posed by North Korea's suspected nuclear weapons. The status quo is rapidly becoming a permanent crisis that threatens to undermine U.S. influence in the region and weaken the regional commitment to nonproliferation.

The creation of a six-party negotiating mechanism was a positive development, but it has not yet produced tangible results. While the talks have enabled the United States to more closely engage China on the issue of North Korea's nuclear future, it remains unclear how far Beijing can or is willing to go in pressuring North Korea to abandon its program. China may not have an interest in a nuclear North Korea on its border, but it is also averse to regime collapse or a war between the United States and North Korea that could result in U.S. troops being placed on the Chinese border. All in all, China may find the status quo tolerable, and the United States cannot assume that China will be able or willing to deliver North Korea's consent or compliance with a denuclearization agreement. Moreover, some in China may prefer keeping the North Korean nuclear issue—a threat to U.S. interests—alive as a counterweight to U.S. interests in Taiwan, an overriding Chinese concern.

A new U.S. policy designed to achieve positive results in East Asia must follow a new course. First, it is essential that the United States and its allies develop an international consensus through the UN Security Council that North Korea's actions are a threat to international peace and security and that North Korea's attempt to withdraw from an agreement it has violated is unacceptable. Once this is done, it may prove more feasible for the United States to test the will of North Korea to fully, verifiably, and irreversibly dismantle all its nuclear weapon capabilities in exchange for a fundamentally different relationship with the United States, including diplomatic relations and peaceful reconstruction assistance. This will involve real negotiations with North Korea, although these could take place in the broad context of the six-party talks.

Regardless of the forum, the United States should pursue rapid and ongoing negotiations with North Korea led by a presidentially appointed envoy. This person must be fully committed to the negotiations, prepared and empowered to make serious progress, and meet with North Korean counterparts of sufficient rank to make

progress. However, for any talks—bilateral or six-party—to succeed, the United States must also work steadily to enhance its alliances with South Korea and Japan so as to broaden support for U.S. security objectives in the region, including the absence of nuclear weapons.

At the same time, the United States must prepare itself and its closest allies for the possibility that North Korea will not abandon its nuclear capabilities. Preparations can best be made by reinforcing diplomatic and military capabilities in the region to enhance deterrence and stability on the Korean peninsula and reduce incentives for other countries to follow North Korea's nuclear lead. A key part of avoiding a crisis during this period, however, is for the United States to lay down clear "red lines" and make clear at a minimum that any attempt by North Korea to export nuclear materials or weapons will be considered a threat to international peace and security.

The regional security consequences of an ongoing North Korean nuclear weapon capability are dire. So too are the implications of allowing North Korea's violations of the international treaty regime to go unpunished. By violating and then attempting to withdraw from the NPT, North Korea has undermined the fundamental premise of the regime—that the international community is prepared to hold countries to their commitments. In keeping with the UN Security Council's presidential statement of January 1992, which declared the proliferation of nuclear weapons a threat to international peace and security, Security Council members have a responsibility to respond to North Korea's actions. Yet even now, the Security Council has yet to respond to North Korea's violations and withdrawal as reported to the council by the IAEA. If a negotiated settlement cannot be reached after a determined good-faith effort, then the United States must work with its allies to obtain a Security Council resolution that North Korea's violations are a threat to international peace and security and that its withdrawal from the NPT was invalid. The United States must then prepare for the consequences, including the possibility of sanctions, an embargo, and even military conflict.

*Summary of Policy Recommendations*

- Determine whether and under what conditions North Korea is willing to relinquish its nuclear capabilities.
- Develop an international consensus through the UN Security Council that North Korea's actions are a threat to international peace and security and that North Korea's attempt to withdraw from an agreement it has violated is unacceptable.
- Fully test the will of North Korea to verifiably implement the irreversible dismantlement of all nuclear weapon capabilities in exchange for a fundamentally different relationship with the United States and other countries, including diplomatic relations and reconstruction assistance.
- Further enhance U.S. alliances with South Korea and Japan to broaden support for U.S. security objectives in the region, including the absence of nuclear weapons.
- End the state of permanent crisis by pursuing rapid and ongoing negotiations with North Korea led by a presidentially appointed envoy. This person must be fully authorized to negotiate, prepared and empowered to make serious progress, and in a position to meet with North Korean counterparts of sufficient rank to conduct substantive negotiations.
- Prepare for the possibility that North Korea is unwilling to abandon its nuclear capabilities by reinforcing the diplomatic and military capabilities in the region with a view to enhancing deterrence and stability on the Korean peninsula and reducing incentives for other countries to follow North Korea's nuclear lead.
- Make clear that any attempt by North Korea to export weapon-usable nuclear materials or weapons will be considered a threat to international peace and security as defined by the UN Charter.

Mr. LEACH. Thank you all very much for your very insightful testimony. Everyone has added something of great significance.

In your written testimony, let me begin Mr. Wolfsthal, you mentioned the necessity of a Presidentially-appointed envoy. Now as you know, the Administration has designated someone to play this role. Does this fit your description?

Mr. WOLFSTHAL. I believe it does.



Mr. LEACH. Could you pull the microphone closer?

Mr. WOLFSTHAL. Sorry. Yes, sir. I believe it does. Although I have never met Ambassador Hill, everyone I have spoken with has the highest admiration for him and I believe that the stars have aligned within this Administration, both from the President and Secretary of State Condoleezza Rice, to empower Ambassador Hill to truly test the diplomatic efforts. And as long as it is publicly recognized that he has the Secretary of State's and the President's authorization to pursue that, I think it is very consistent with what we have been suggesting.

Mr. LEACH. Let me just ask a little different kind of question. I think there appears to be unanimity on the notion of containment and the notion of multilateral negotiations.

Is there a role for out-of-the-box contacts that aren't part of the political negotiations? I think the Six-Party framework makes eminently good sense.

If there is a psychology that people want to directly deal with the United States, is there a way to put that in another kind of box?

I am thinking in two ways. One, as we know, in the Six-Party context, there are informal discussions that occur bilaterally. One might upgrade that bilateral to a more significant status.

By the same token, might one take totally out of politics some sort of exchange that implied people-to-people relations and is that helpful or just foolish that might have some symbolism?

Dr. Sutter?

Mr. SUTTER. I tend to endorse Mr. Eberstadt's view of North Korea's intentions and so when you have these informal discussions with North Korea, you have to calculate that you are dealing with a regime that is pretty ruthless and therefore extremely manipulative.

This has to be done, I think, carefully so that you don't get exploited. I think it is extremely easy to get exploited by the North Korean regime.

My sense is that this should be on the table. We should be discussing this and I think I would judge that this might be well done in coordination with the U.S. Government so that it isn't so out-of-the-box that the Administration would be surprised by it or so forth.

Mr. LEACH. It would have to be an Administration initiative. It couldn't be anything else.

Mr. SUTTER. I am sorry. I thought you were talking about a private—

Mr. LEACH. An Administration initiative to suggest that there might be bilateral discussions, for example in the field of agronomy, in the field of medicine.

Mr. SUTTER. I see what you mean.

Mr. LEACH. In arts. In this regard, let me say it would be United States' leadership, not North Korean manipulation, and the reason I stress this is that almost any exchange is the type of thing that I think we hold the upper edge in, in basic quality and the only conceivable purpose is to make it clear that there is a respectful relationship and to manage alliances.

Mr. SUTTER. I see.

Mr. LEACH. But only an Administrative initiative and nothing outside of that.

Mr. SUTTER. I see. The issue is much clearer to me now. That does seem sensible, sir. Yes. That does seem like a workable approach.

The timing is very important and how you do this and not look like you are rewarding North Korea's provocative behavior. I think the goal of the international effort to constrain North Korea is to constrain them from provocative actions. How do we do that? If this type of approach fits, I think it would work fine, but I think it——

Mr. LEACH. The only theory behind it is, are you looking for some way also to take a country that is deeply antagonistic, potentially irrational, and giving them a way to get out of a box of their own making?

If that is conceivable that it looks more forthcoming when the rest of the world thinks we are not forthcoming, it might have some trivial advantage.

I personally think the Six-Party framework is the most sensible way to proceed on any political issues.

Mr. SUTTER. I tend to agree with you and I think it would have, under the right circumstances, a very good effect on our allies and associates in Asia, this kind of approach. I wouldn't think right now is the time to do it, but I think over time.

Mr. LEACH. At some point.

Mr. SUTTER. This is something to talk to them about to come up with something and maybe to have some efforts in that regard. I think that would help.

Measuring it with North Korea. I worked as the National Intelligence Officer for East Asia for 2½ years. I never could get a fix on what the North Korean regime wanted. I never could get a fix on why they were in power.

There are lots of speculations, lots of analysis, and so what reaction this would have on the North Korean regime, I think you are dealing with something that is very vague. We really don't know, it seems to me, and so as far as what they would do, the North Koreans would do, I think it is very difficult to predict.

What effect it would have on our containment efforts and our multilateral efforts to constrain the North Koreans, I think would be positive.

Mr. LEACH. Okay. Thank you.

Mr. Faleomavaega.

Mr. FALEOMAVEGA. Thank you, Mr. Chairman.

Somewhat of a perspective perhaps differently in terms of what I have heard, not only from the Members of the Committee, but also from our expert witnesses this morning.

Mr. Cossa, you indicated in your statement to say that North Korea, by pursuing nuclear weapons, makes them less secure. I wonder who really is less secure, who we are talking about.

It seems that this is the sense of threat and concern and anxiety that countries like Japan and all the other countries in the Asian rim, it seems to me that they are the ones that are less secure than North Korea.

I know perhaps that the meaning of your statement here is that if you develop these nuclear weapons, we are going to blast the hell out of you and I don't think that is a possible option to pursue either, given the fact that they do have the capability of giving the ballistic missiles that seems to go over Japan, potentially reaching Hawaii and now the capability that it can even reach the north or the western portions of the United States.

I am trying to say there is somewhat of a contradiction to say that who are we really talking about being less secure? It seems that our security is being less secured, simply by the fact that North Korea makes this claim that it is necessary that they also develop a nuclear weapon system.

I think some of the most profound changes of our national foreign policy has taken place in the period of the last 4 years, and I make this reference to President Bush's statements as it was taken into action in terms of our relationship with Iraq.

The most central theme, in my humble opinion as to why we waged war in Iraq, was this mushroom cloud that Secretary Condi Rice had indicated probability, just say even if to think that Iraq and Saddam Hussein has nuclear weapons in his possession, suggestions by the highest levels of the Bush Administration officials, that yes, they do have nuclear weapons. We know where they are.

This presumption were two basic doctrines as it now evolved and please clarify for me, because I am not an expert on these doctrines, preemption. The doctrine of unilateralism now seems to be the focus.

As I recall, the first thing that the Bush Administration did was to condemn President Clinton's efforts to conduct a bilateral relationship to work with the North Koreans. Treat them as coequals.

But now North Korea is an outpost of tyranny. It is an axis of evil, and I think by implication of what my Chairman has tried to say here is, where is the people-to-people relationship?

It is almost like a Rodney Dangerfield, "I get no respect," from these people so I am going to develop my own nuclear bomb and see who is going to come up to me and say, "Look, let us be sensible. Let us talk." Positives.

Also, the question of, say, putting pressure on China disturbs me in the sense that I am a proud Chinese who says, "What am I? Your messenger to do this?"

Culturally to me it is an insult that I would be pressured to become a little doll to go over there and do the biddings of these Western nations who are concerned about their own security because of North Korea's potential capability of developing nuclear weapons.

I think what we are dealing with here basically, I guess the word that I put here in my notes is trust. North Koreans don't trust us. Why should they trust us, when some of these policies that we have enunciated in the past and applied by use of force in the last 4 years?

If I was a Chinese official, I would be confused myself as to what exactly our foreign policy is. A sense of consistency to deal with countries who potentially may possess nuclear weapons is dangerous, because this is what we have done by applying the policy

of preemption, not necessarily verifying if Saddam Hussein had nuclear weapons.

Even to believe that he may have nuclear weapons, let us blast the heck out of him, because of the fear that it may be too late for us to act rather than to react and to know later that Saddam Hussein may have these nuclear weapons.

As you mentioned, Mr. Wolfsthal, we don't have accurate information or data on the whole question of what nuclear capabilities that North Korea has, and that is dangerous too, in my humble opinion.

I really enjoyed your statements because it really raises some very serious issues.

Now some may suggest that our relationship or what we are doing with Iraq has no relationship with North Korea. I beg to differ.

The fact that the nuclear weapons issue was one of the central issues that led us to wage war against Saddam Hussein, I think we have got some very serious issues to deal with as well with North Korea.

This is where I am a little confused and I would love you gentlemen to help me along this line of thinking. If I am way off line, please educate me on this question. Thank you. Start off with Mr. Eberstadt.

Mr. EBERSTADT. Yes, sir. As you quite correctly indicated, there is no trust on either side in Pyongyang and Washington's dealings with each other.

They have a zero sum negotiation going on. Under those circumstances, I suppose the best we can hope for, at least at the beginning, is some respect, avoiding big misunderstandings between the two sides to understand very clearly where each side is coming from and what the objectives of the two sides happen to be.

One of the unfortunate aspects of United States diplomacy with the DPRK is that we don't always listen to what they say. Sometimes you can actually learn from what people say; sometimes people even mean what they say.

North Korean leadership revealed some very interesting objectives in the highest level visit the DPRK has yet enjoyed with the United States. That was during the Clinton Administration when Vice Chairman Jo Myong Rok came to the United States, to the State Department, to meet at the White House with the President.

At the State Department dinner, Vice Chairman General Jo gave a toast, and I won't get the words perfectly right, but I will try to get the essence of them.

Jo said he had been instructed by Chairman Kim Jong Il to tell Washington that we could move from hostility to friendship and from confrontation to cooperation, as soon as the United States was prepared to provide guarantees for the DPRK's territorial integrity and its national sovereignty.

Nobody seemed to listen to what he said at that dinner. I happened to be there: I looked around to see if anybody was paying attention, but everybody seemed to be caught up in the bon.

Those were striking words, striking especially if we ask what the North Korean Government means by the "territorial integrity of the DPRK."

We could start by looking at the North Korean Constitution. What does the North Korean Constitution say the territory of the DPRK is? That is the whole thing.

This was a very bold opening bid. If these are the terms on which we have to become friends, it would be a very expensive friendship.

Mr. WOLFSTHAL. Congressman, I just have a brief word because I know Ralph was up early and we want to keep him awake.

I wouldn't use the word trust, although I think that is an element, but I think the word that comes to mind most is tone, and I think that is in large part what the North Koreans have said and what I think we need to keep in mind.

I think as Nick just said, North Koreans are convinced that we want to kill them and I think there are a lot of people inside the Administration, outside of the Administration, who would be very happy, myself included, to see North Korea go away.

However, they know that and they are going to act accordingly, just as we would in their shoes. However, as we work through these problems, there is no reason that we have to adopt a tone that makes that clear and in the end, I think the Administration also says things that sometimes people don't hear.

Director for Policy Planning, Mitchell Reiss, last year at the Heritage Institute gave a talk in which he said bluntly, "If we can solve the nuclear question, we are prepared to live with the North Korean regime as it exists. We don't like it. We want to work to change their human rights behavior, all the rest."

Unfortunately, that wasn't really picked up and it became overwhelmed by other statements. My hope is that the Administration, my belief is that they now really have taken this to heart.

The second issue, very briefly, on the link between Iraq and North Korea, I agree with you entirely, sir. I don't think the nuclear program in North Korea started because of George Bush. It clearly goes on. We have had it for decades. It started in the 1960s.

However, I think we have a lot of evidence to suggest that the nuclear program has accelerated both in North Korea and Iran with the drumbeat to the war in Iraq.

Again, I think when you try, it is always dangerous to put yourself in North Korean shoes because they don't always fit, but I think it is understandable from their security perspective that they feel insecure.

They look at what happened to East Germany. They have lost their client state in the Soviet Union and they have said pretty openly, "We want you to be our new client state." We are not ready to buy in yet, because they have pretty high demands, but I think it is at least something we need to consider strategically.

Mr. SUTTER. I would like to address your comment on China, if I might, just for a moment. I think it is important to keep in mind that China will adjust its policy in the region according to its own interest.

We are not in the business of making deals with China. You did this for us. No. They do it for their own interests and I think this is illuminating, because the North Korean behavior makes it in China's interest to be more active.

The North Koreans are more dangerous. The Chinese have to react to this and I think this kind of dynamic is taking place throughout the region.

It takes awhile for it to sink in to the region, but I think it makes it easier in that context. It makes it easier for the United States, if it follows a consultative approach. And I think in the case of North Korea, particularly in the last several years, the Bush Administration has been consultative. It hasn't been unilateral or preemptive.

In that context, it makes it easier for the United States to build up a united front to deal with this issue. North Korea is the problem, not the United States as far as China and the region are concerned.

Mr. FALOMAVEGA. Thank you, Mr. Chairman.

Thank you, gentlemen.

Mr. LEACH. Mr. Blumenauer.

Mr. WOLFSTHAL. I wonder, Mr. Chairman, whether Ralph Cossa is on the line.

Mr. LEACH. Excuse me, Mr. Blumenauer, if you would restrain for a second.

Mr. Cossa, did you want to add—

Mr. BLUMENAUER. I will fight myself, Mr. Chairman.

Mr. LEACH. Mr. Cossa, did you want to add anything?

Mr. COSSA. I would like to comment just very briefly on the comments that have been made. First of all, I would say while we could debate whether or not the Iraq model worked or will work in Iraq, I think it is very clear that one size does not fit all and that we ought to learn from mistakes and learn from the Iraq experience and not try to repeat it on the Korean Peninsula. It is certainly a completely different scenario and I think the Administration is wise to make the distinction between the two.

I also, to perhaps further explain my earlier comments, I think the North Koreans clearly believe that today their tactics are serving their interests and we need to convince them otherwise.

My point was that the military instrument alone is not effective, because we have very limited options. So we have to put more political and economic pressure on North Korea, and that pressure can most effectively be done by South Korea and by China, and South Korea has a lot of influence over the North if they choose to use it.

They also have a lot of influence over China, because at the end of the day, China understands that the real prize is South Korea, not North Korea, and they want to have a situation where South Koreans believe that the United States is part of the problem and China is part of the solution. That, I don't believe serves our national interest and, therefore, I think we need to be more proactive.

I would argue in response to your comments about thinking out of the box, et cetera, I think outreach programs are central. They are very good to help open up North Korea.

This was part of the point of the Sunshine Policy. Part of the brilliance, if you will, of the Sunshine Policy, but I think we have to understand that when it comes to serious negotiations, if we were to agree to a separate channel, a bilateral channel, the North

Koreans would immediately and conclusively ignore the Six-Party process.

Therefore, the only way we should do bilateral serious negotiations is within the context of the Six-Party process, in side meetings.

I think we were wrong to delay doing that for way too long, but the point is, as Jon and others have pointed out, the Administration now appears willing and, in fact, has demonstrated a willingness to have bilateral sessions within the multilateral context and we have to insist that that is the only way that we can move forward. Thank you.

Mr. FALEOMAVEGA. If the Chairman would yield, just 30 seconds.

Mr. LEACH. Of course.

Mr. FALEOMAVEGA. Unfortunate situation, as I recall, when Secretary of State Colin Powell publicly stated that it was his intention to continue the dialogue with the fact that even our own Secretary of State, Madeleine Albright, the first ever to go to North Korea, the Sunshine Policy was condemned initially by the Bush Administration.

In fact, it was very embarrassing for Secretary Colin Powell to learn, after making these public statements, that we are going to change this thing. And it was very, very bad medicine, the signals that we sent not only to North Korea, but to Asia, with how we treated the President of South Korea, when he came here, almost with contempt. Very embarrassing. Losing face. Giving them a sense like they don't even count in the process.

And I think this is where, when we send mixed signals, there is no consistent policy coming out and I don't say just of the Bush Administration, any Administration for that matter, I think this is what complicates the matter and I just wanted to add that this is what happened, as I recall, when the Secretary of State Colin Powell first came out in a very positive attitude and says let us continue this.

I think there are some positives coming out of the 1994 agreement, even though there are problems, but let us correct them. But that wasn't the case and we just completely shut everything off, and I just wanted to note that for the record, Mr. Chairman. I know my time is way over now and I will hold it at that. Thank you.

Mr. LEACH. This Committee has a Sunshine Policy.

Mr. Blumenauer.

Mr. BLUMENAUER. Thank you, Mr. Chairman. I must say that I found Mr. Eberstadt's analysis very interesting, in terms of how you portrayed the approach of the North Koreans, the role that its nuclear capacity played and its continuing state.

It is to be very useful. I appreciated the clarity with which you expressed your assessment and I do think that is a very useful mindset to approach this question.

The hearing is late. You have given us a great amount of material to digest. Each of you has more than you have put forth, and I will spend some time on the plane riding home this afternoon kind of going over it, but I would like to just refer to the last paragraph, Mr. Wolfsthal.

You didn't elaborate, you didn't mention your conclusion that we should be concerned that Iran is taking its clues from the situation with North Korea and its nuclear capacity. I was curious if you wanted to elaborate on that briefly.

And Mr. Eberstadt, just given your mindset, you may be steering a little bit from your area of expertise, but if you had some thoughts as well about the implications of this adventure with North Korea on what is going on in Iran and what we can do.

If that would be all right, Mr. Chairman? It is a little—

Mr. LEACH. Of course.

Mr. WOLFSTHAL. Congressman, thank you. I am happy to, although I will admit that while we cover all of the scary non-proliferation issues at the Carnegie Endowment, I do some work on Iran.

I have actually been to North Korea and my main focus has been there, but I think there are some parallels that are important for us as we try and get the policy toward Iran correct as well.

I think the main lesson that Iran—well there are two main lessons that Iran is pulling. One is they look at the difference between Iraq and North Korea and they say, "Well why did the United States go to war with one and not the other?" I think they pulled the answer that North Korea may have nuclear weapons and a conventional ability to deter the United States through the artillery that was mentioned earlier and that that suggests that they need as large a military deterrent as they can achieve.

That doesn't mean I think that is all Iran is interested in with a nuclear capability. I think they have much grander designs, which suggests why it is so important that we prevent them from acquiring a nuclear capability.

But I think the other important lesson is that they have watched very closely our policy on North Korea. They have seen that when push came to shove, we did not go to the U.N. Security Council.

When we talked about it, we could not get unanimity among the permanent members, which is unlikely to happen in the case of Iran as well, and they recognized that if they tried to make a large leap in capability, they are more likely to get caught and to be punished than if they try and—as we always talk about with North Korea—slice the salami very thin and their attention span is probably a lot longer than ours.

Their political cycle is longer than ours and I think what North Korea has done is waited for the opportunity, an Administration, a focus on another part of the world, to push ahead with their nuclear capability, and I think that Iran is likely to do the same, whether we are focused on Syria, whether they are hoping we turn to focus on North Korea so that they can then move in, in the vacuum. That is my assessment of where their program is likely to head.

As the negotiations between the Europeans and Iran continue, most of the people I have spoken with expect that will play out sometime this summer, when the Iranian elections are completed and the negotiations have played out and then they will push and see how far they can go.



If they get pushed back, they will retreat. If they feel no resistance, they will push ahead a little more, because that is how North Korea has been able to succeed.

Mr. BLUMENAUER. Thank you.

Mr. Eberstadt, do you have a thought?

Mr. EBERSTADT. Congressman, I am only a newspaper reader about Iran, but I concur with everything that Jon has just said.

One of the points I suppose I would offer is that one of the asymmetries in the North Korean nuclear drama is that the United States is the only truly global actor involved. The precedents that we establish in our nuclear dealings with the DPRK will have consequences that are much more likely to be direct for us in other parts of the world.

Of course the Tehran leadership is reading the newspapers and surfing the Web and trying to understand what the consequence for them of our approach in the DPRK will be.

Jon put his finger on the contradistinction between Iraq being rather less threatening and DPRK being rather more threatening. There are consequences one might conclude from that.

Tehran may have noticed that the DPRK has suffered almost no penalties from its continuing provocative violations—its state-of-the-art violations—of all international nonproliferation agreements. This may be read and interpreted in Tehran as well.

I am concerned about the possibility of what Tehran might “learn” from any eventual deal that we offer the DPRK.

If we eventually come to a settlement which denuclearized the DPRK without penalties but instead with additional benefits, that outcome would have implications for Tehran and other would-be proliferators in other parts of the world. That symmetry is one that will affect the United States rather more than the ROK Government or even the Japanese and Chinese Governments.

Mr. BLUMENAUER. Thank you.

Thank you, Mr. Chairman.

Mr. LEACH. Thank you. I want to thank all four of our witnesses for a very profound and insightful testimony. I want to make one very clear point, because it relates to several things that have been said, and that is that several of you have noted the importance of an envoy.

You have also noted the importance that an envoy has to have clear Executive Branch support, and I just want to make it clear that this Committee holds an exceptionally high regard in Ambassador Hill and his new role as Assistant Secretary of State for Asia.

We also hold in very high regard the Ambassador Joseph DeTrani, who will be involved with North Korean issues; and the Congress and the Executive, I think, have a more similar mind than many might suspect.

Several of you have hinted that maybe there has been a misstep or two in the past Administration, maybe even earlier in this Administration, but we are all in the same boat together and we are all very supportive of what the Administration is now trying to do.

I was going to conclude, but I see our good friend from Indiana, Mr. Burton, has returned and we are delighted to open to your questions.

Mr. BURTON. I am going to be brief, Mr. Chairman, and I apologize profusely for leaving the chamber, because I probably missed some things and may ask some questions that you have already answered.

The thing that bothered me the most, I guess, was Mr. Eberstadt in particular, it was like not a dark cloud, but a black cloud has descended over our foreign policy, regarding North Korea.

What I would like to hear, if any of you can tell me, or our friend in Hawaii, and I envy you being in Hawaii where the sun is still shining and it is so beautiful and they have beautiful golf courses, but what I would like for you to do is give me and the remaining Members of the Committee some idea on what you think—and you may have already done this so I apologize if I am being redundant—what you think the Administration can do to solve the problem.

When I listened to you, Mr. Eberstadt, it sounded like there is no solution. The guy wants nuclear capability so he can literally blackmail the United States. He can blackmail South Korea and he is not going to change no matter what we do, and appeasing him, as we appeased Hitler in World War II, could only lead to more of a problem.

Do you have any kinds of proposed solutions to the problem? We know what it is now. We understand the gravity of it, but what can the Administration or the State Department or the Defense Department do to make this thing work?

Mr. EBERSTADT. Congressman Burton, I submitted for the record an essay that I contributed to the *Weekly Standard* a few months ago where I tried to suggest some possible directions for threat reduction with regard to DPRK.

I agree with the other panelists that there is a strong and indeed essential case for multilateral diplomacy. Most of that diplomacy, I would say, lies in coordinating a response to the DPRK, rather than necessarily probing North Korean intentions. I think we know those intentions pretty well already.

There is much more room, I believe, for economic diplomacy with the DPRK than is often the case. The record of economic sanctions has been pretty miserable in the 20th century, but the DPRK isn't your garden variety economy. It is much more vulnerable to economic pressures than most economies in the world would be.

At the end of the day, I would say we have to be very clear that the nuclear problem is the North Korean Government. It is the Kim Jong Il Government and we are not going to solve the nuclear problem in the DPRK until we get a better class of dictator in that country.

Mr. WOLFSTHAL. Congressman Burton, I have a slightly different view and I will preface it by saying, I agree with your characterization, and many of the words that have been used about the nature of the North Korean regime, one that we don't want, one that we don't want to support, but I think we have to recognize fundamentally they have something we want.

They have succeeded in developing something that threatens us and just as we engaged in arms control, successful arms control with the former Soviet Union in the darkest days of the Cold War, in a way that benefitted our security, it also happened to benefit

the Soviet security as well. I think we need to be as realistic as that.

If I can devise for you a plan that would eliminate the North Korean regime at the same time that I could get rid of their nuclear capability, without destroying Seoul, I would give it to you. There isn't one and we have to choose.

In the end, my belief is that North Koreans will balk at any set of incentives, but as I said in my testimony, we can't do the other hard things that the Administration is, I think, rightfully beginning to think about.

How do we think about successfully truly blockading North Korea? How do we really squeeze their economy? How do we convince the Chinese in the end that there is a way to get rid of nuclear weapons in North Korea?

Until we prove to our closest allies and our colleagues that we have tried everything else, we are not going to get those things, and so we have a long list of recommendations that we are releasing as part of a new nonproliferation strategy called universal compliance—which we will be pummeling your office with soon—which talks about the Presidentially-appointed envoy, demonstrating we are serious, but also looking at ways to reinforce stability and deterrence on the peninsula.

What do we have to deploy? What sort of military capability do we have to increase? We have obligations in Iraq. We need to be able to demonstrate to North Korea that we are able to handle a military contingency on the Korean Peninsula. I think there are questions about that and so we need to do all of those things at the same time.

Mr. SUTTER. If I could add a couple of points on this. I somewhat disagree with Jon on the U.S. responsibility for taking all the actions first before the region can be expected to react positively to U.S. leadership.

It seems to me that North Korea is doing a very good job of galvanizing the region on the need for cooperative efforts to deal with North Korea. As they pursue this kind of a path, they increasingly identify themselves as the regional problem and so here I would argue that perhaps Jon is right in looking at these U.S. initiatives.

We certainly should look at things and maybe they will work, but I think what definitely will work is a very close United States consultative arrangement with the countries in the region, based on the notion that North Korea is a problem.

I think if we are looking at this over the long haul, and I submit that this is a long haul problem, this is the way to deal with it, from a position of leadership, U.S. leadership in the region.

We should definitely take those steps that will strengthen our leadership in the region that will add to a constraint of North Korea provocative behavior.

We have common ground with countries like China. We don't want provocative behavior by North Korea, and so we should build on this and I think we can.

It actually is more broad than that, when we look at things like the proliferation security initiative. And so these kinds of approaches are definitely areas of positive reinforcement for the United States.

The areas of bilateral interaction with North Korea are more questionable. How the North Koreans will react, I think, is not well known and not easy to predict.

Mr. LEACH. Mr. Cossa, you have the last word.

Mr. COSSA. Thank you, Mr. Chairman. I would agree with much of what Bob Sutter has said and particularly what he said earlier, which is while it may not be very satisfying, really, more of the same policy is probably the best approach.

We need to coordinate more. We need to be more flexible, but we need to keep things within the context of the Six-Party Talks.

We need to use more economic and political diplomacy, as Nick said, but we have to recognize that most of this comes from Beijing and Seoul. They can do it much more effectively.

Jon pointed out that we had not gone to the U.N. Security Council. That is not because of lack of trying on the United States' part. China and Russia have blocked that. I think they need to reassess that position.

The most important thing from Washington's standpoint is we need to get our own act together. There has been much division within the Administration between the so-called hawks and the engagers and we need to be sending a consistent message to North Korea.

One, that we are prepared to talk, but only within the context of the Six-Party Talks and then we need the other members, in particular Seoul and Beijing, to reinforce that message and to use some of the leverages they have. Thank you.

Mr. BURTON. Thank you, Mr. Chairman. I will read with great interest the documents that you have submitted. Thank you very much.

Mr. LEACH. Thank you. Let me just thank you all again. You presented compelling and thoughtful testimony. Thank you, sir. The Committee is adjourned.

[Whereupon, at 11:50 a.m., the Subcommittee was adjourned.]

## A P P E N D I X

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### MATERIAL SUBMITTED FOR THE HEARING RECORD

PREPARED STATEMENT OF THE HONORABLE DIANE E. WATSON, A REPRESENTATIVE IN  
CONGRESS FROM THE STATE OF CALIFORNIA

U.S.-North Korean relations are indeed in a dangerous state. Certainly no one wants another Korean war. Yet it appears that both sides are inching towards a situation where there appear to be fewer options for a diplomatic solution. This is a sad state of affairs.

In a worse case scenario, I fear that the Administration may become entangled in a military conflict on the basis of limited, or inconclusive, intelligence and that pressures put on North Korea, designed to bolster a failing diplomatic process, could backfire and result in a full-scale war.

I can't believe that any sane person desires such a worse case scenario. The question now is how do we step back from the precipice, from the brink, and reinvigorate the diplomatic process that will result in a constructive and peaceful outcome.

I trust that today's witnesses will enlighten us on how to move forward in a constructive manner.

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 <b>PacNet</b> Number 6	<b>Pacific Forum CSIS</b> Honolulu, Hawaii February 10, 2005
<p><b>Pyongyang Raises the Stakes</b> by Ralph A. Cossa</p> <p>Secretary of State Condoleezza Rice's initial response to Pyongyang's surprise announcement that it felt "compelled to suspend our participation in the [six-party] talks" and that it had "manufactured nukes" was exactly right. "I think we just have to first look at the statement and then we need to talk with our allies," Rice said, constructively adding that the North Koreans "have been told they can have multilateral security assurances if they will make the important decision to give up their nuclear weapons program. So there is really no reason for this, but we will examine where we go next." Wherever we go next, it should be in lock step with our allies, and especially with South Korea; unilateral, contradictory responses will only play into Pyongyang's hands. Nonetheless, it would be wrong to disregard this latest pronouncement as mere rhetoric. Pyongyang has taken a significant step out of the nuclear closet and the other members of the Six-Party Talks should jointly respond. This incident also provides an opportunity for ROK leadership, if Seoul is up to the task.</p> <p>The authoritative North Korean Foreign Ministry statement seems pretty clear. Pyongyang is "suspending its participation" in the talks (as opposed to quitting them) "for an indefinite period" due to Washington's continued "hostile policy," most recently evidenced by Secretary Rice's reference to North Korea as an "outpost of tyranny" during her confirmation hearings. Had Pyongyang's pronouncement ended there, it would have likely been interpreted as a tactical move to increase the North's bargaining position in order to reap more "rewards" (read: bribes) merely for showing up at the talks at some later date.</p> <p>But, Pyongyang decided to increase the stakes this time by also announcing that Washington's "nuclear stick" compelled the North "to take a measure to bolster its nuclear weapons arsenal." While the North has made reference to its "powerful deterrence force" before and at one point claimed that it had "weaponized" its reprocessed plutonium, this time it was much more explicit: "We had already taken the resolute action of pulling out of the NPT and have manufactured nukes for self-defense to cope with the Bush administration's undisguised policy to isolate and stifle the DPRK."</p> <p>This sounds to me like an unambiguous declaration by North Korea that it is a nuclear weapons state. Those still in denial may argue that Pyongyang is bluffing; that there is no more reason to believe Pyongyang's claim of possessing nuclear weapons than there is to believe previous assertions that it did not have them. But it seems foolish, and foolhardy, to ignore the intended message.</p> <p>Secretary Rice is right to consult "the allies." The question is, what are they prepared to say and do? Most eyes have shifted toward Beijing, which has acted as an "honest broker" for the six-way dialogue. The PRC has continually urged</p>	<p>patience while openly questioning Washington's assertions about Pyongyang's nuclear capabilities and intentions. The diplomatic prowess of President Hu Jintao and China's "fourth generation" leadership will now be put to its most severe test. While Beijing continues to argue that it has no control over its erstwhile neighbor, its political and economic leverage over Pyongyang clearly exceeds Washington's.</p> <p>But the country with the greatest degree of (largely unused and untested) leverage over North Korea is not the U.S. or China, but South Korea. To give credit where credit is due, this is largely a result of former President Kim Dae-jung's "Sunshine Policy" of economic engagement with the North (maintained through the current administration's "Policy of Peace and Prosperity"). Since the historic 2000 North-South summit, North Korea has become increasingly dependent on Seoul economically, while its (increasingly tentative) political acceptability internationally also has its roots in Seoul's continued encouragement to others to likewise engage the North. One wonders if ROK President Roh Moo-hyun is prepared to use this leverage or if it is Seoul, not Pyongyang, that has been bluffing.</p> <p>President Roh has consistently argued, since his inauguration, that the ROK "would not tolerate" nuclear weapons in the North. Pyongyang, Roh asserted, could either go down the path of political and economic cooperation with the South and reap the considerable rewards inherent in this choice or it could choose to pursue nuclear weapons and face political and economic isolation from Seoul and the rest of the international community. It was an "either-or" choice; North Korea could not have it both ways . . . or can it? However else you choose to interpret the North's latest statement, it clearly is calling Seoul's hand on this issue.</p> <p>If President Roh is serious about not tolerating a nuclear North Korea, at an absolute minimum he should immediately announce that South Korea is "suspending its participation" in all economic cooperation and assistance programs with North Korea, including in their joint development zone, until Pyongyang has provided a satisfactory explanation to Seoul, and to the other dialogue partners, regarding its declared nuclear capabilities and intentions. Others (especially in Washington and Tokyo) are likely to call for more drastic measures, including immediate economic sanctions against the North, but this could be a step too far (at least initially). It also puts others in the driver's seat that President Roh has long aspired to occupy. The other six-party participants should support this action and announce that they are taking (or at least considering) similar steps. But the measure will be most meaningful (and can only truly be effective) if it is initiated by Seoul.</p> <p>The next step would be for Beijing, ideally at Seoul's request, to call an emergency plenary session of the Six-Party</p>

Talks, inviting Pyongyang to attend and provide further explanation of its current stance, but making it clear that the meeting will proceed regardless of whether or not the North participates.

North Korea has effectively played a “divide and conquer” game throughout the nuclear stand-off. If it receives conflicting signals from Washington, Seoul, Beijing, Tokyo, and Moscow in the face of this latest provocation, it will be encouraged to continue this tactic. The time has come for the other five finally to begin speaking with one voice to Pyongyang, to hold it accountable for its own words and actions. If this problem cannot be handled within the six-party context, then the only alternatives are collective action through the United Nations Security Council – the desired alternative but one that Beijing, Seoul, and Moscow previously believed to be “premature” – or unilateral actions that will likely only make matters worse.

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## the weekly Standard

### **Tear Down This Tyranny** **A Korea strategy for Bush's second term.**

by Nicholas Eberstadt  
11/29/2004, Volume 010, Issue 11

THE BUSH ADMINISTRATION is not famous for patience with its critics. But for the sake of national security, the new Bush team should listen to constructive criticism of its policies--in particular, its policy for the North Korean nuclear crisis. The current U.S. approach to the North Korea problem is demonstrably flawed; arguably, even dangerously flawed.

Just what is wrong? After nearly four years in office, the curious fact remains that the Bush administration plainly lacks a strategy for dealing with the North Korean regime. Instead, it merely confronts Pyongyang with an attitude.

President Bush and his inner circle regard Kim Jong Il and his system with an admixture of loathing, contempt, and distrust--as well they might. Unfortunately, a mechanism for translating that point of view into effective action was manifestly absent from the statecraft of Bush's first-term administration. Long on attitude ("axis of evil") but short on strategy, the administration on North Korea was at times akin to a rudderless boat on an open sea.

Without rehearsing every detail, we might say that we have seen the Bush North Korea policy in "shocked by events" mode; we have seen it in "reactive" mode; we have seen it in "passive-aggressive" mode; and we have seen it in "paralyzed by infighting" mode. But we have yet to see it in "making bigger problems into smaller ones" mode.

A better approach for the second term might start with two strategic precepts:

Precept One: We are exceedingly unlikely to talk--or to bribe--the current North Korean government out of its nuclear quest. Talk and bribery have been tried for nearly 15 years--with miserable results. If Kim Jong Il ever could have been talked or bribed out of his nuclear program, the world's best opportunity was probably during the mid-1990s, when the nation was starving, and the regime's survival looked very much in doubt. We all know how the Clinton team's "denuclearization" deals in that era turned out: Pyongyang took the money, and plowed it into new covert nuclear programs.

Precept Two: The North Korean nuclear crisis is the North Korean government--and the North Korean government is the North Korean nuclear crisis. Unless and until we have a better class of dictator running North Korea, we will be faced with an ongoing and indeed growing North Korean



nuclear crisis. Pretending otherwise is a sure recipe for an even more dangerous situation.

Embracing those precepts would have immediate implications for American North Korea policy. Here are a few of the things a successful policy will require:

(1) Instituting regime change--at the State Department. If any doubt remained whether the first-term diplomatic team was up to the challenge of North Korea policy, it was removed by Secretary Colin Powell's hapless trip through East Asia last month, when he was publicly blindsided in both Beijing and Seoul by our putative partners in the Six Party Talks. North Korea is one of the most serious problems America faces today; our diplomatic crew needs to understand the threat.

(2) Defining "success" and "failure" for North Korea negotiations. To date, the Six Party Talks on North Korean denuclearization have produced--well, talk; meanwhile, North Korea has been racing to build up its nuclear arsenal. This perverse dynamic should be utterly unacceptable. For upcoming parlays, Washington needs to spell out clearly and in advance the outcomes that will constitute success, and those that amount to failure. And the administration must not be shy about declaring the process a failure if in fact it is.

(3) Increasing China's "ownership" of the North Korean problem. Thus far, Beijing has very successfully hedged the North Korean crisis--sometimes affecting to be part of the solution, other times directly contributing to the problem. Washington has been far too complacent about China's unprincipled ambiguity. After all: China will bear high costs if the current denuclearization diplomacy fails--and even greater dangers lie in store for Beijing if Pyongyang becomes a full-fledged nuclear power. Our cooperation with China will be more productive once we understand this. And once Beijing is obliged to think clearly about its own interests in North Korea threat reduction, we can expect a more forceful and consistent Chinese focus on the Kim Jong Il regime.

(4) Working around the pro-appeasement crowd in the South Korean government. U.S. policy on the North Korean crisis suffered a setback, and a serious one, with the December 2002 South Korean presidential election, thanks to which a coterie of New Left-style academics and activists assumed great influence over their government's security policies. Despite placid assurances from "old Korea hands" in the State Department and elsewhere that this crew would "mellow" in office, the core of this new government (a cadre dubbed "the Taliban" by the South Korean press) has remained implacably anti-American and reflexively pro-appeasement toward Pyongyang. (Last week, for example, South Korea's president publicly averred that both military and economic pressure were off the table as instruments for resolving the North Korean nuclear crisis; a few days later the South Korean Defense Ministry made the breathtaking announcement that North Korea would no longer be designated as the "primary enemy" facing its military forces.)

For all intents and purposes, South Korea is now a runaway ally: a country bordering a state committed to its destruction, and yet governed increasingly in accordance with graduate-school "peace studies"

desiderata--while at the same time relying on forward-positioned American troops and a security treaty with Washington to guarantee its safety. It is not too much to describe this utterly unnatural and unviable situation as our "second crisis" on the Korean peninsula.

The simultaneous task of salvaging the Washington-Seoul alliance while avoiding "Taliban" sabotage of a North Korea threat-reduction policy presents exceptional--indeed, extraordinary--challenges to U.S. statecraft. But not insurmountable ones. Over the past decade, some giant South Korean conglomerates that once boasted they were "too big to fail" have completely disappeared from the corporate scene. Everyone in South Korea today remembers this--so they can also intuit the hollowness of their current president's strange claim just last week that the U.S.-South Korean relationship is likewise too big to fail. Public opinion in South Korea is deeply--and quite evenly--divided on the North Korea question, and the current government earns consistently low approval ratings. Instead of appeasing South Korea's appeasers (as our policy to date has attempted to do, albeit clumsily) America should be speaking over their heads directly to the Korean people, building and nurturing the coalitions in South Korean domestic politics that will ultimately bring a prodigal ally back into the fold.

(5) Readying the nondiplomatic instruments for North Korea threat reduction. Diplomacy on the North Korean nuclear front may well fail--in which case a variety of nondiplomatic alternatives must be at the ready. Paradoxically, however, preparing for the deliberate use of nonconsensual, non-diplomatic options with North Korea will actually increase the probability of a diplomatic success.

(6) Planning for a post-Communist Korean peninsula. For far too long, policymakers in the United States and elsewhere have acted as if contemplating the practical implications of the Kim Jong Il regime's demise were somehow "thinking the unthinkable." Instead, American policy should be actively engaged in planning for a successful transition to a post-Kim Jong Il Korea--and in coordinating with allies and other interested parties to maximize the opportunities and minimize the risks in that delicate and potentially dangerous process. Many uncertainties lie in store on the road to a free, democratic, non-nuclear, and united Korean peninsula, but there can be absolutely no doubt that such a destination is the very best objective--not only for the Korean people but for all their neighbors as well.

AS PRESIDENT BUSH contemplates North Korea policy for a second term, he could do worse than to dwell on his legacy. During the presidential campaign, John Kerry asserted that the North Korea problem was worse now than four years ago--and he was right. (Kerry's own clueless prescription--to seek and cut a bilateral deal with Kim Jong Il--does not invalidate the diagnosis.)

Most people in the present administration judge the Clinton administration harshly for bequeathing to posterity a more serious international terrorist threat than it inherited--and rightly so. If North Korea's threat to America is greater four years from now than today, that will be a Bush

administration legacy. And history is unlikely to judge such a legacy kindly.

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